

politan police department of the District of Columbia, and for other purposes; with amendments (Rept. No. 1588). Referred to the Committee of the Whole House on the state of the Union.

Mr. WHITE of Kansas: Committee on Election of President, Vice President, and Representatives in Congress. S. 300. An act to provide for election contests in the Senate of the United States; without amendment (Rept. No. 1589). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. HILL of Washington: Committee on the Public Lands. H. R. 12018. A bill granting and relinquishing title to certain lands in the State of Washington to the American Board of Commissioners for Foreign Missions, and for other purposes; with an amendment (Rept. No. 1587). Referred to the Committee of the Whole House.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HOCH: A bill (H. R. 12418) to amend section 4 of the interstate commerce act; to the Committee on Interstate and Foreign Commerce.

By Mr. GUYER: A bill (H. R. 12419) authorizing and directing the Secretary of War to investigate the feasibility and to ascertain and report the cost of establishing a military road connecting Fort Leavenworth and the city of Kansas City, Kans., and of establishing a national military park adjacent thereto; to the Committee on Military Affairs.

By Mr. KIESS: Concurrent resolution (H. Con. Res. 47) providing for the printing of the Journal of the Twenty-sixth National Encampment of the Veterans of Foreign Wars of the United States; to the Committee on Printing.

By Mr. McLAUGHLIN of Nebraska: Joint resolution (H. J. Res. 376) providing for payments to the Capitol police for extra services; to the Committee on Accounts.

By Mr. HUDSPETH: Memorial of the Legislature of the State of Texas, on the subject of the establishment of non-cotton zones in the State of Texas by the Federal Government; to the Committee on Claims.

Also, memorial of the Legislature of the State of Texas, on the subject of the bill for removal of Pullman surcharge; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Texas, in support of bill known as cotton-tax refund measure; to the Committee on Claims.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. JACOBSTEIN: A bill (H. R. 12420) granting an increase of pension to Julia A. Bush; to the Committee on Pensions.

Also, a bill (H. R. 12421) granting an increase of pension to Cora Shoemaker; to the Committee on Pensions.

Also, a bill (H. R. 12422) granting an increase of pension to Melissa M. Snyder; to the Committee on Invalid Pensions.

By Mr. JOHNSON of West Virginia: A bill (H. R. 12423) to amend the military record of William M. Cheuvront; to the Committee on Military Affairs.

By Mr. STRONG of Kansas: A bill (H. R. 12424) granting an increase of pension to Sophia A. Brassfield; to the Committee on Invalid Pensions.

By Mr. WILSON of Indiana: A bill (H. R. 12425) granting an increase of pension to Mary J. Caskey; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3909. By Mr. FREDERICKS: Petition of sundry residents of Los Angeles County, Calif., requesting support of H. R. 5934, providing increase of pension for soldiers and sailors of Spanish-American War; to the Committee on Pensions.

3910. Also, petition of sundry residents of Los Angeles County, Calif., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

3911. By Mr. GIBSON: Petition of sundry citizens of Rutland County, Vt., protesting against pending legislation having for its purpose compulsory Sunday observance (S. 3218); to the Committee on the District of Columbia.

3912. By Mr. HICKEY: Petition of Mrs. O. W. Wheeler, 116 West Oakside Street, South Bend, Ind., signed by citizens of South Bend, protesting against the Jones Sunday bill; to the Committee on the District of Columbia.

3913. By Mr. LEAVITT: Petition of the Libby (Mont.) Woman's Club, urging participation by the United States in the World Court on the basis of the Harding-Hughes reservations; to the Committee on Foreign Affairs.

3914. By Mr. SHREVE: Petition of Gem City Lodge, Erie, Pa.; Faith Lodge, No. 286, L. A. to B. of L. F. and E., Albion, Pa.; Erie Lodge, No. 371, Br. of R. C., Erie, Pa.; Wesley Lodge, No. 891, B. of L. F. and E., Erie, Pa.; Myrtle Lodge, No. 227, L. A. to B. of L. F. and E., Meadville, Pa.; W. L. Scott Division 298, B. of L. E., Erie, Pa., favoring the enactment of the postal salary adjustment measure (S. 3674 and H. R. 11444); to the Committee on the Post Office and Post Roads.

3915. By Mr. WILLIAMS of Michigan: Petition of Mrs. W. F. Leslie and 35 other residents of Battle Creek, Mich., protesting against the passage of Senate bill 3218, the Sunday observance bill, so called; to the Committee on the District of Columbia.

3916. Also, petition of Oscar A. Bryant and 31 other residents of Calhoun County, Mich., protesting against the passage of Senate bill 3218, the Sunday observance bill, so called; to the Committee on the District of Columbia.

SENATE

THURSDAY, February 26, 1925

The Senate met at 11 o'clock a. m.

Rev. Henry W. O. Millington, D. D., of the city of Washington, offered the following prayer:

Almighty God, our Heavenly Father, we stand here in the shadow of a great affliction and there is upon us a great sense of need. Come to us in Thy loving mercy and be our consoler and our helper just now. We thank Thee for those who have lived and served, and in particular for Thy servant who has just gone forth from the day of service to his reward. We ask Thee, gracious Father, that to-day Thou wilt give Thy consolation to those who mourn, Thy friendship to those who are lonely, Thy strength to those who are weak.

Bless the Members of this body. We pray Thee that in the loneliness of loss to-day we may so number our days as to apply our hearts unto wisdom. May these Thy servants stand forth in Thy wisdom. May they be baptized in Thy spirit. May they be established in Thy truth and righteousness, and thus serving may they accomplish Thy will and way in the life of this Nation and in all the world. We ask it in the name of Thy dear Son, our Savior. Amen.

The reading clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

RECESS

Mr. CURTIS. Mr. President, as this is the hour when the funeral ceremonies of the late Senator McCormick begin, I ask unanimous consent that the Senate take a recess until 12.15 p. m. to-day.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Kansas?

Mr. TRAMMELL. Mr. President, I would like to understand from the majority leader whether the recess is going to displace the order coming over from a previous day. I have pending a resolution which was being considered when we adjourned yesterday. If the recess is going to displace that resolution, I hope we may have some agreement regarding it.

Mr. CURTIS. Personally I have not looked into the question, but I should think that the Senator's resolution would come up after the routine morning business just the same.

Mr. TRAMMELL. I would like to have it understood, as far as it can be understood, that the resolution will come up in the regular order.

Mr. SMOOT. It will come up in regular order.

Mr. CURTIS. I think it will. That is my understanding; but, as I said, I have not looked up the matter.

Mr. TRAMMELL. I have no objection.

The PRESIDENT pro tempore. The Chair hears no objection, and the Senate stands in recess until 12.15 p. m.

Thereupon the Senate (at 11 o'clock and 5 minutes a. m.) took a recess until 12.15 o'clock p. m., when it reassembled.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 11444) reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes.

The message also communicated to the Senate the resolutions of the House unanimously adopted as a tribute to the memory of Hon. MEDILL McCORMICK, late a Senator from the State of Illinois.

ENROLLED BILLS SIGNED

The message further announced that the Speaker of the House had affixed his signature to the following enrolled bills, and they were thereupon signed by the President pro tempore:

H. R. 8522. An act granting to certain claimants the preference right to purchase unappropriated public lands;

H. R. 9535. An act authorizing suits against the United States in admiralty for damage caused by and salvage services rendered to public vessels belonging to the United States, and for other purposes;

H. R. 9634. An act to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve;

H. R. 11706. An act to authorize the construction of a bridge across the Pend d'Oreille River at or near the Newport-Priest River Road crossing, Washington and Idaho;

H. R. 11753. An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1926, and for other purposes;

H. R. 11978. An act granting the consent of Congress to the Commissioners of McKean County, Pa., to construct a bridge across the Allegheny River; and

H. R. 12192. An act to authorize the creation of game refuges in the Ozark National Forest in the State of Arkansas.

ARLINGTON MEMORIAL BRIDGE (S. DOC. NO. 216)

The PRESIDENT pro tempore laid before the Senate a communication from the President of the United States transmitting a supplemental estimate of appropriation, in amount \$500,000, to remain available until expended, for beginning construction of the Arlington Memorial Bridge, fiscal year 1926, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, EXPENSES OF COMMISSIONERS OF THE COURT OF CLAIMS (S. DOC. NO. 215)

The PRESIDENT pro tempore laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for expenses of commissioners of the Court of Claims (under the Department of Justice, fiscal year 1926), in amount \$69,000, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

STATIONERY, HOUSE OF REPRESENTATIVES (S. DOC. NO. 218)

The PRESIDENT pro tempore laid before the Senate a communication from the President of the United States, transmitting, without revision, a supplemental estimate of appropriation for stationery for Representatives, Delegates, and Resident Commissioners, in amount \$125, which was referred to the Committee on Appropriations and ordered to be printed.

PETITIONS AND MEMORIALS

Mr. COPELAND presented memorials of sundry citizens of New York City and vicinity, in the State of New York, remonstrating against the passage of the so-called compulsory Sunday observance bill for the District, which were referred to the Committee on the District of Columbia.

Mr. BROOKHART presented the petition of Mrs. R. L. Oliver and sundry other citizens of Pisgah, Iowa, praying for the passage of the so-called McNary-Haugen bill, which was referred to the Committee on Agriculture and Forestry.

Mr. WILLIS presented a petition of sundry citizens of Ash-tabula County, Ohio, praying for the passage of the so-called deportation bill, which was referred to the Committee on Immigration.

He also presented a memorial of sundry citizens of Columbus, Ohio, remonstrating against the passage of the so-called compulsory Sunday observance bill for the District, which was referred to the Committee on the District of Columbia.

Mr. CARAWAY. I present a letter in the nature of a petition, with accompanying papers, and I ask unanimous consent that it, with the papers, be referred to the Committee on Banking and Currency and printed in the RECORD.

There being no objection, the letter and accompanying papers were referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

THE FARMERS EDUCATIONAL AND COOPERATIVE

UNION OF AMERICA, IOWA DIVISION,

OFFICE OF STATE SECRETARY-TREASURER,

Des Moines, Iowa, February 14, 1925.

C. W. BARRETT,

1731 Eye Street NW., Washington, D. C.

DEAR BROTHER BARRETT: Pursuant to your wire, I am sending you all the detailed information, in fact, a complete history, of the efforts of the Farmers Union Credit Association to obtain the rediscounting privileges we were supposed to have through the intermediate credit department of the Federal Land Bank of Omaha. It was our understanding, both from our conference with Mr. Corey, as well as the representatives from both Omaha and St. Louis, that they were anxious to help us establish a credit association, and the Omaha officials approved of our plan of organization, as well as the Agricultural Department and the State officials of Iowa.

We have repeatedly asked for any suggestions or recommendations that would be necessary in order to obtain this rediscounting privilege, yet so far the department at Omaha has refused to rediscount our paper or to positively outline a program under which they would do so. They continually inject difficulties and objections, until we have become discouraged and have come to the conclusion that they do not intend to permit us to function as proposed when we organized.

I wish especially to call your attention to one paragraph in the last letter we received from Mr. Hogan concerning the personal qualifications of an applicant: "I also needed to know whether or not the borrower's wife and family were helpful, or otherwise; I would want to know with whom he did business, and would insist that he confine his banking business, and especially his borrowings, to my bank. An up-to-date knowledge of those things requires the constant and continual watchfulness of the responsible officers of the bank over its customers."

He seems to consider entirely those personal qualifications are more important than the collateral offered. The real facts are that Mr. Hogan and the Omaha bunch are unfriendly. I say this especially from the fact that St. Louis is rediscounting for the St. Joseph association on really more liberal terms than was proposed on the start to us. I have a mass of evidence to support the things I am saying to you, and it is unthinkable that the officials of the Federal land bank should entirely disregard the spirit of a measure, the advice of the President of the United States, as well as the Agricultural Committee.

I am having my secretary send you an itemized history of all the proceedings relative to the rediscounting privileges since we were organized, which will enlighten you as to the object of the Omaha bunch.

If you feel that it is necessary for either Mr. Crouse, the secretary, or myself to come to Washington, we will do so, as it seems to me this is a serious enough situation, being a direct refusal by a Government agency to function in harmony with the act created by it. I would like to have an opportunity to present this proposition to the Agricultural Committee, and if possible would like to have a congressional investigation. I feel that we are entitled to know why Omaha is hindering the object of this act.

Kindly let me hear from you at your earliest convenience.

Very truly yours,

FARMERS UNION CREDIT ASSOCIATION.
MILO RENO, President.

THE FARMERS EDUCATIONAL AND COOPERATIVE

UNION OF AMERICA,

IOWA DIVISION,

OFFICE OF STATE SECRETARY-TREASURER,

Des Moines, Iowa, February 14, 1925.

C. S. BARRETT,

1731 Eye Street NW., Washington, D. C.

DEAR MR. BARRETT: Mr. Reno asked me to write, giving you every step that we have taken trying to secure the rediscounting privilege for the Farmers Union Credit Association with the Intermediate Credit Bank of Omaha. I will also send you a copy of the letters which we consider important, showing that the intermediate credit bank are failing to comply with the interpretations of the intermediate credit act of 1923, our preliminary organization meeting a representative of the Omaha bank, a representative of the St. Louis bank, and the attorney of the Federal Loan Board and entirely agreeing to the general outline of our corporation. Our articles of incorporation and by-laws were submitted and approval was received from the inter-

mediate credit bank, and on August 19 our attorney and myself went to Omaha for the purpose of ascertaining the detailed requirements of the Omaha bank.

At this meeting Mr. Clark, the manager of the Omaha Intermediate Credit Bank, stated that the intermediate credit bank appraisers might be dispensed with when the stock was purchased through a responsible commission company and the account sales accompanying the papers for rediscounting. They have never accepted an appraisal of this kind from us.

The expense attached to an appraisal by an intermediate credit bank appraiser is prohibitive on a small loan. On September 4 Mr. Reno and myself again went to Omaha to see if it would not be possible to work out some plan whereby we might secure the appointment of an appraiser in each county to do this work. Mr. Clark, Jr., stated that he thought it would be agreeable to the board of directors of the intermediate credit bank if we selected a man in each county who would make formal application and would accompany his application with five letters of recommendation setting forth his experience, ability, and general character. We appointed Mr. J. M. Kennedy, of Dana, Iowa, who submitted to the Omaha bank a formal application accompanied by letters of recommendation as follows: One from his banker, another from the strongest bank in Greene County, one from the manager of the elevator and lumber yard of Dana, one from the State representative of Greene County, and one from a retired farmer. On October 8 we received the following letter from the bank:

OCTOBER 8, 1924.

FARMERS' UNION CREDIT ASSOCIATION,

412 Hubbell Building, Des Moines, Iowa.

GENTLEMEN: Your letter of September 16 was received, and we are not able to get the approval of your plan for local appraisers. The land bank has a man near almost every shipping point in Iowa and we are promised good service in this line. I believe a special effort will be made to have provided all you ask for promptly and economically, and have learned of a great many good reasons for thinking it the most desirable way for all concerned.

Give us as much notice as you can when and where an appraisal is needed, and we will try to have it attended to as satisfactorily as would be if we had succeeded in getting Mr. Kennedy appointed.

Very respectfully,

F. W. CLARK, Manager.

On October 10 we submitted the forms prescribed by the Omaha bank and properly filled out requesting the rediscounting privileges. On October 16 we received the following letter from the bank:

Attention Mr. W. R. CROUSE.

GENTLEMEN: Our executive committee has returned the application for rediscounting privilege of your association, with the request for further information. As we understood your preliminary correspondence this proposed corporation was to have \$250,000 paid-up capital in cash, and on that basis our executive committee felt that their approval would be justified without the detailed examination of the corporation. However, we find in this application that only \$10,000 of the capital is paid up at the present time. In view of this fact our executive committee feels that this corporation should be handled in the regular way.

They desire complete information on the organizers and officials of the corporation, their financial circumstances, capability, experience, and references. They particularly desire information as to the past experience of the men who will be actively in charge of this work, in order to determine their familiarity and capability in regard to such transactions.

We regret that this delay should be necessary, but our previous understanding was such as to lead us to believe that such detailed investigation would not be necessary before starting our relationship. We felt that before our line was large enough to in any way compare with your cash capital we would be able to determine all these factors for ourselves.

Yours very truly,

FEDERAL INTERMEDIATE CREDIT BANK,
By F.

On October 20 I again made a trip to Omaha and met with the executive board of the intermediate credit bank. At this meeting the capability, experience, and references suggested in the above copy of their letter was scarcely touched upon. The principal discussion at this meeting was whether we were organized to make a profit or to be of service to our members and lower the rate of interest. Upon my explanation of the plan which we were putting in operation to keep in direct touch with their loans, which briefly stated is this: That we select five men in each county to act as a consular or advisory committee, and would report in addition to the appraiser's report. It was finally agreed by that board that they would sign the rediscounting agreement with our association under the following conditions:

1. That we submit satisfactory abstract of chattel mortgage, note, avowal purpose, and property statement.

2. Appraisal by the Federal land bank appraiser.

3. Deposit equaling 20 per cent of mortgages submitted for rediscount "instead of 10 per cent, as originally discussed at meeting preliminary to organization."

November 22 we submitted the following loans for rediscounting:

A. F. Klein, Estherville, Iowa	\$3,624.00
Anna S. Jensen, Estherville, Iowa	1,500.00
John Hjortshoy, Marnie, Iowa	695.80

and in our letter to the intermediate credit bank, which accompanied these loans for rediscounting, we stated: "We will be willing to place the \$1,500 loan if necessary as security or the \$695.80 loan if you consider the same sufficient." On November 25 received a letter from the intermediate credit bank stating the loans submitted were approved subject to rectified papers and satisfactory appraisal. In this connection will state that the Omaha bank objected to the description of the property covered in the chattel. Our description was this: A minute description of each critter, stating color, and approximately the size, and on the Klein loan stating that these cattle all carried open "A" brand. The Omaha bank required that we take a new chattel, stating that this is all cattle owned carrying open "A" brand.

I took this matter up with our lawyer, who advised me the description contained in the original mortgage was absolutely sufficient; in fact, more minute than the description contained in 90 per cent of the chattel mortgages in Iowa. However, I made a trip to Estherville, and was able to get the parties to again make new mortgages, complying with every requirement in the letter received from Omaha relating to these mortgages.

On December 7 received the following letters from the intermediate credit bank:

Re: Anna S. Jensen.

GENTLEMEN: We have had an appraisal on the Jensen application recently submitted by your corporation, which was approved by our executive committee subject to correct papers and satisfactory appraisal check.

Our reports on the personal standing of these people, however, are unsatisfactory, and with the record that we have on hand we do not feel justified in handling their note.

Yours truly,

FEDERAL INTERMEDIATE CREDIT BANK.

Re: A. F. Klein.

GENTLEMEN: We have had an appraisal made on the A. F. Klein paper.

The results of our investigation as to the borrower's local standing are unsatisfactory. For this reason we do not care to handle this paper.

Very truly,

FEDERAL INTERMEDIATE CREDIT BANK.

And as yet have had no report on the John Hjortshoy loan which was submitted November 22. On December 16 I again went to Estherville to satisfy myself that the personal standing of these people was above reproach. I called on Mr. Kerby who is connected with the First National Bank of Estherville and who made the appraisal for the Omaha bank. Mr. Kerby stated that his report on the Jensen loan was as follows:

"First, the property included in the chattel mortgage and property statement was not overvalued.

"Second, general aspect of the farm showed Mr. Jensen to be a good, progressive farmer.

"Third, personal standing in the community as fair."

When I questioned him for the reason as reporting the personal standing of Mr. Jensen as only fair, he stated Mr. Jensen was a radical and supported ROBERT M. LA FOLLETTE, Colonel BROOKHART, and the Farmers Union candidate for the legislature from Emmet County in the last election. Mr. Jensen was also a prime mover in the effort to have Estherville and surrounding territory divided into two districts instead of consolidating both as a consolidated school district. Last winter Mr. Jensen shelled out his 1923 corn crop of approximately 5,000 bushels and bought \$5,000 of July corn on the board of trade. Hence he was hedging on his corn crop.

Regarding personal standing of A. F. Klein. Mr. Kerby stated he reported this as unknown (although I found out in my investigation that Mr. Klein had lived for 30 years within 5 miles of Estherville).

I next went to the following persons asking for letters of recommendation, copies of which I am attaching: E. Ehlers, F. H. Rhodes, L. E. Stockdale.

We have repeatedly advised Mr. Hogan both by letter and verbally that if he had any suggestions or criticisms regarding the organization, officers, or in any way that our organization could be changed

so that we could work with them, that we would be willing to do anything he might suggest, but have been unable to receive any help from him.

On December 17 we wrote Mr. Hogan the following letter:

INTERMEDIATE CREDIT BANK,
OMAHA, NEBR.

Attention D. P. HOGAN.

DEAR MR. HOGAN: The annual meeting of the stockholders of the Farmers Union Credit Association is to be held at 412 Hubbell Building, Des Moines, Iowa, at 10 a. m. on Monday, February 2, 1925.

We would like very much to have a representative from your institution meet with us at this time.

Very truly yours,

FARMERS' UNION CREDIT ASSOCIATION,
By W. R. CROUSE.

On January 28 received the following letter from Mr. Hogan:

DEAR MR. CROUSE: Upon my return home I find your letter of the 17th and Mr. Newcomb's answer of the 19th regarding your meeting, Monday, February 2.

I greatly regret that another appointment makes it impossible for me to be with you.

I have been talking to Mr. Clark regarding the matter which you and Mr. Reno and I talked of when in Washington, and will try and get to Des Moines and talk over this matter with you before long.

Very truly yours,

D. P. HOGAN, *President*.

Immediately upon receipt of Mr. Hogan's letter we wired him as follows: "If possible send representative for meeting Monday. Answer," and received the following wire: "Telegram came after closing Saturday, and I did not get it in time to send anyone to your meeting to-day."

On February 3 Mr. Reno wrote Mr. Hogan, as follows:

DEAR MR. HOGAN: I deeply regret that it was impossible for you or a representative from your bank to attend our annual stockholders' meeting held here yesterday. It was the unanimous desire on the part of the stockholders to do everything possible to meet the requirements of your bank, and I am very sure that this can be worked out satisfactorily if the law is interpreted and administered according to your spirit of instructions or suggestion of President Coolidge, also his agricultural commission.

I am inclosing a copy of a resolution passed, by which you will see the stockholders' instructions to the board of directors to get some definite action on this matter, and in order to get accurate knowledge as to what you people require before rediscounting our paper.

First. Would you suggest any change in the amount of our authorized capital stock?

Second. What percentage would you require deposited with your bank as a basis of rediscounting? Also, would you accept satisfactory farm chattel mortgages or would Government or industrial bonds be more acceptable?

Third. Would you be willing to appoint as your appraiser our head cattle salesman on cattle purchases on the open market? Also, would you be willing to join with us in selecting a man in each county where we do business to pass on other property and personal standing of the applicant?

Since talking with you in Washington we have made arrangements to increase our paid-in capital stock to \$25,000, upon assurance that we would be able to rediscount through your bank. We are very anxious to know if it will be possible for us to function through your bank, and if you are willing to grant us rediscounting privileges along the same lines that other associations are getting rediscounting privileges through their respective intermediate credit banks.

An early reply will be much appreciated.

Very truly yours,

FARMERS' UNION CREDIT ASSOCIATION,
MILO RENO, *President*.

And on February 7 we had received no reply. He again wrote him, as follows:

DEAR MR. HOGAN: It is very important that the Farmers' Union Credit Association have some definite understanding upon what terms they will be granted a rediscounting privilege of the intermediate credit department.

I am wondering if you will extend to us the courtesy of a reply to my letter of February 3.

An early reply will be appreciated.

Very truly yours,

FARMERS' UNION CREDIT ASSOCIATION,
MILO RENO, *President*.

And received from him on February 9 the following letter:

DEAR MR. RENO: I have your favor of recent date regarding a connection with the Federal Intermediate Credit Bank, and will answer your questions as best I can, as follows:

First. Capital should be in proportion to the volume of business transacted at all times.

Second. Chattel-mortgage papers of a class acceptable for rediscount or suitable bonds are required as collateral. The proportion at first should be between 15 and 20 per cent of line. If later on our experience is satisfactory, this percentage might be reduced.

Third. We can not vary from our established rule of requiring all appraisers being entirely subject and responsible to the Federal Intermediate Credit Bank and the Federal Farm Loan Board. I think this is a fundamental rule in regard to making loans that must be insisted upon.

Our experience in operating the Federal Intermediate Credit Bank has convinced us that we can not violate the principles of sound banking without paying the penalty.

Before coming to Omaha eight years ago to assume the presidency of the Federal land bank, I was engaged for 25 years in operating a country bank. While in this business I found that with proper care I could make safe loans within the territory tributary to my own town, but that it was dangerous to make loans outside of that territory.

In other words, in order to make safe loans, I needed to know intimately the men to whom I made loans. I needed not only to know their assets and liabilities, but I needed to be well informed regarding their integrity, industry, personal habits, expenses, business ability, etc.

I also needed to know whether or not the borrower's wife and family were helpful or otherwise; I would want to know with whom he did business and would insist that he confine his banking business, and especially his borrowings, to my bank. An up-to-date knowledge of those things requires the constant and continual watchfulness of the responsible officers of the bank over its customers.

Conditions are continually changing, and it will not do to take it for granted that because a man was good for a certain line of credit last year, he is good for the same amount this year.

Now, I think what was true of my county banking business at Massena, Iowa, is universally true in loaning money on personal and chattel security. There must be close, continual, and competent personal supervision of the loans.

Manifestly the Federal Intermediate Credit Bank can not give this close, competent, and personal supervision to loans scattered over the four States in its districts. It follows then that it can make safe loans only through responsible discounting agencies capable of giving loans the adequate local supervision that I have described.

Very truly yours,

D. P. HOGAN, *President*.

On February 9 I went to St. Joseph for the purpose of procuring exact knowledge regarding the working conditions of our St. Joseph Credit Association with the St. Louis Intermediate Credit Bank. I found while there that Mr. Emmert was having absolutely no trouble to receive rediscounting privileges with the St. Louis bank. In fact, the St. Louis bank was cooperating in every way possible with the St. Joseph Credit Association, whose articles of incorporation and by-laws were drafted with ours before them as a copy. I also found that the St. Louis bank was accepting the appraisals of the order buyer, or head cattle salesman, of our St. Joseph house; that they were rediscounting with the requirement of only 10 per cent collateral as a basis; that the property statement submitted was taken as a basis for the desirability of a loan, and that the description in the chattel mortgage was only such as is commonly used in that district.

I am inclosing copy of their property statement and copy of the property statement which the Omaha bank requires us to use.

Now, Mr. Barrett, it seems to be the policy of the Omaha bank to obstruct us to the point where we will become discouraged and allow our credit association to die, which, of course, we are not going to do without making a very determined effort to see if there is not some way in which we may function.

If Mr. Reno or myself can be of any assistance to you in the presentation of this matter to the proper officials, please wire us, and we will come to Washington at once.

Trusting you will pardon the length of this letter, but I felt it necessary to give you detailed information, and assuring you of our earnest support in any way of which we can be of assistance to you,

We are, very truly yours,

FARMERS' UNION CREDIT ASSOCIATION,
W. R. CROUSE, *Secretary-Treasurer*.

COPIES OF LETTERS RECEIVED AS RECOMMENDATION ON LOANS AS PER
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DECEMBER 26, 1924.

FARMERS' UNION CREDIT ASSOCIATION,
Des Moines, Iowa.

GENTLEMEN: I have been dealing with Mr. Andrew Klein for some four years and have always found him honest and prompt.

Hoping this will suffice.

E. EHLERS.

DECEMBER 16, 1924.

FARMERS' UNION CREDIT ASSOCIATION,
Des Moines, Iowa.

GENTLEMEN: We have done considerable business with A. F. Klein and it has been very satisfactory. He is a good farmer and stands well in the community.

Yours truly,

F. H. RHODES, *President.*

DECEMBER 16, 1924.

FARMERS' UNION CREDIT ASSOCIATION,
Des Moines, Iowa.

GENTLEMEN: As requested we are pleased to advise that we have known Anna S. Jensen and A. F. Klein a number of years and have had the pleasure of transacting considerable banking business with both parties and have always found them to be prompt in meeting their obligations.

They are considered very good farmers and the owners of well-improved farms in this county. We believe these parties will take care of any obligations they may see fit to put out.

Very truly yours,

L. E. STOCKDALE, *Cashier.*

FARMERS' UNION CREDIT ASSOCIATION,
Des Moines, Iowa.

GENTLEMEN: Anna S. Jensen owns a good, improved, well-stocked, farm about 2 miles from Estherville. Her character and responsibility is good.

Yours truly,

F. H. RHODES, *President.*

FARMERS' UNION CREDIT ASSOCIATION,
Des Moines, Iowa.

GENTLEMEN: I have had business dealings with Anna Jensen for about five years and have always found her honest in all my dealings with her, and can recommend her very highly as to character.

Very respectfully,

F. EHLERS.

REPORTS OF COMMITTEES

Mr. KEYES, from the Committee on Agriculture and Forestry, to which was referred the bill (H. R. 5939) to facilitate and simplify the work of the Forest Service, United States Department of Agriculture, and to promote reforestation, reported it with amendments and submitted a report (No. 1224) thereon.

Mr. NORRIS, from the Committee on Agriculture and Forestry, to which were referred the following bills, reported them each without amendment and submitted reports as indicated:

A bill (S. 3978) to authorize the Secretary of Agriculture to cooperate with State officials, crop-improvement associations or growers of seed, and other interested parties, to encourage the production of seeds of a high varietal purity and quality, and for other purposes (Rept. No. 1225); and

A bill (H. R. 12086) to authorize the transfer of the United States Weather Bureau site and buildings at East Lansing, Mich., to the State of Michigan in exchange for another Weather Bureau site on the grounds of the Michigan State Board of Agriculture and other considerations.

Mr. ODDIE, from the Committee on Naval Affairs, to which was referred the bill (H. R. 11921) to authorize the permanent appointment of any acting chaplain in the Navy to the temporary grade and rank in the Navy held by him during the World War, reported it without amendment and submitted a report (No. 1226) thereon.

Mr. COPELAND (for Mr. JOHNSON of California), from the Committee on Immigration, to which was referred the bill (S. 4382) to supplement the naturalization laws, reported it without amendment and submitted a report (No. 1227) thereon.

Mr. LADD, from the Committee on Commerce, to which was referred the bill (S. 4343) authorizing the construction, maintenance, and operation of a bridge across the Mississippi River between the cities of Prairie du Chien, Wis., and McGregor, Iowa, reported it with amendments and submitted a report (No. 1228) thereon.

He also, from the Committee on Public Lands and Surveys, to which was referred the concurrent resolution (S. Con. Res. 34) establishing a joint congressional commission to investigate the administration of the public domain and other matters relating thereto, reported it with amendments.

Mr. FLETCHER, from the Committee on Printing, to which was referred the amendment intended to be proposed by him to House bill 12392, the second deficiency appropriation bill, relative to the preparation of a new edition of the Biographi-

cal Congressional Directory, reported favorably thereon and the amendment was referred to the Committee on Appropriations.

Mr. CAPPER, from the Committee on Claims, to which were referred the following bill and joint resolution, reported them each without amendment and submitted reports thereon:

A bill (H. R. 9131) for the relief of Martha Janowitz (Rept. No. 1229); and

A joint resolution (S. J. Res. 181) for the relief of George Horton (Rept. No. 1230).

Mr. CAPPER also, from the Committee on Claims, to which was referred the bill (H. R. 3839) for the relief of M. Castanola & Son, reported it with amendments and submitted a report (No. 1231) thereon.

Mr. MAYFIELD, from the Committee on Claims, to which was referred the bill (H. R. 2646) for the relief of Ida Fey, reported it with an amendment and submitted a report (No. 1232) thereon.

Mr. McNARY, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 4377) to permit a compact or agreement between the States of Washington, Idaho, Oregon, and Montana respecting the disposition and apportionment of the waters of the Columbia River and its tributaries, and for other purposes, reported it without amendment and submitted a report (No. 1233) thereon.

He also, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 4206) to create a farmers' export corporation; to prevent a recurrence of agricultural depression; to place agricultural commodities upon an equality under the tariff laws with other commodities; to place agriculture upon an equality with industry and labor; and for other purposes, reported it without amendment and submitted a report (No. 1234) thereon.

Mr. HARRELD, from the Committee on Indian Affairs, to which was referred the bill (H. R. 9062) conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any and all claims, of whatever nature, which the Kansas or Kaw Tribe of Indians may have or claim to have against the United States, and for other purposes, reported it without amendment and submitted a report (No. 1235) thereon.

Mr. BROOKHART, from the Committee on Claims, to which was referred the bill (S. 3603) for the relief of James M. E. Brown, reported it with an amendment and submitted a report (No. 1236) thereon.

Mr. TRAMMELL, from the Committee on Claims, to which was referred the bill (H. R. 8037) for the relief of the Mallory Steamship Co., reported it with an amendment and submitted a report (No. 1237) thereon.

ENROLLED BILLS PRESENTED

Mr. WATSON, from the Committee on Enrolled Bills, reported that February 25, 1925, that committee presented to the President of the United States the following enrolled bills:

S. 3765. An act to authorize a five-year building program for the public-school system of the District of Columbia which shall provide school buildings adequate in size and facilities to make possible an efficient system of public education in the District of Columbia; and

S. 4045. An act granting the consent of Congress to W. D. Comer and Wesley Vandercook to construct a bridge across the Columbia River between Longview, Wash., and Rainier, Ore.

JESSIE M. WHITE

Mr. FLETCHER. Mr. President, I ask that the Presiding Officer lay before the Senate the message from the House of Representatives transmitting Senate bill 827, with the amendment of the House, as I desire to move to concur in the House amendment to the bill.

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 827) for the relief of Jessie M. White, which was, on page 1, line 9, after the word "death," to insert:

Provided, That no part of the amount of any item appropriated in this bill in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered or advances made in connection with said claim: *Provided*, That it shall be unlawful for any agent or agents, attorney or attorneys to exact, collect, withhold, or receive any sum which in the aggregate exceeds 10 per cent of the amount of any item appropriated in this bill on account of services rendered or advances made in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. FLETCHER. I move that the Senate concur in the amendment of the House of Representatives.
The motion was agreed to.

RUBIE M. MOSLEY

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 1725) for the relief of Rubie M. Mosley, which was, in line 9, after the word "injured," to insert "and for the death of her mother, Emma H. Mosley, who was killed."

Mr. SHEPPARD. I move that the Senate concur in the amendment of the House of Representatives.
The motion was agreed to.

EUGENE K. STOUDEMIRE

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 1823) for the relief of Eugene K. Stoudemire, which was to strike out all after the enacting clause and to insert:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Eugene K. Stoudemire the sum of \$1,500 as compensation and in full settlement against the Government, for the loss of an eye on August 3, 1915, while in the discharge of his duty as an engineer on the towboat *Alabama* in the river and harbor service of the Government.

Mr. HEFLIN. I move that the Senate concur in the amendment of the House of Representatives.
The motion was agreed to.

J. E. SAUCHER

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 2534) for the relief of J. E. Saucher, which was, in line 5, to strike out "\$288" and to insert "\$150."

Mr. HARRISON. I move that the Senate concur in the amendment of the House of Representatives.
The motion was agreed to.

THE COLORADO RIVER BASIN

Mr. KEYES, from the Committee to Audit and Control the Contingent Expenses of the Senate, reported favorably without amendment the resolution (S. Res. 320) submitted by Mr. McNARY on January 30, 1925, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Committee on Irrigation and Reclamation, or a duly authorized subcommittee thereof, is authorized to make a complete investigation with respect to proposed legislation relating to the protection and development of the Colorado River Basin. For the purposes of this resolution such committee or subcommittee is authorized to hold hearings prior to the beginning of the first regular session of the Sixty-ninth Congress, to sit and act at such times and places within the United States, and to employ such clerical and stenographic assistants as it deems advisable. The cost of stenographic service to report such hearings shall not be in excess of 25 cents per hundred words. The committee or subcommittee is further authorized to send for persons and papers, to administer oaths, and to take testimony; and the expense attendant upon the work of the committee or subcommittee shall be paid from the contingent fund of the Senate.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHEPPARD:

A bill (S. 4385) for the development of the training plant for the Air Service of the United States Army at San Antonio, Tex.; to the Committee on Military Affairs.

By Mr. GREENE:

A bill (S. 4386) for the purchase of land in the vicinity of Fort Ethan Allen, Vt.; to the Committee on Military Affairs.

By Mr. SMOOT:

A bill (S. 4387) authorizing the erection of a modern fire-proof building for the accommodation of the Bureau of Internal Revenue, and a survey of the public buildings situation throughout the United States, and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. MOSES:

A bill (S. 4388) granting a pension to Esther Day (with accompanying papers); to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 4389) for the relief of the Government of Canada (with accompanying papers); and

A bill (S. 4390) for the relief of Olga Pascalidis, of Constantinople, Turkey (with accompanying papers); to the Committee on Claims.

By Mr. NORRIS:

A bill (S. 4391) to amend the Federal water power act for the better regulation of interstate commerce in electric power; to the Committee on Interstate Commerce.

By Mr. HARRELD:

A bill (S. 4392) granting a pension to Clint T. Littlefield; to the Committee on Pensions.

By Mr. SHIPSTEAD:

A bill (S. 4393) to carry into effect provisions of the convention between the United States and Great Britain concluded on the 24th day of February, 1925; to the Committee on Foreign Relations.

BUILDING FOR BUREAU OF INTERNAL REVENUE

Mr. SMOOT submitted an amendment intended to be proposed by him to the bill (H. R. 11791) to provide for the construction of certain public buildings, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENTS TO THE DEFICIENCY APPROPRIATION BILL

Mr. SHEPPARD submitted an amendment intended to be proposed by him to House bill 12392, the second deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

He also submitted the following accompanying notice:

NOTICE BY SENATOR SHEPPARD

In accordance with Rule XL, Standing Rules of the Senate, I hereby give notice that I shall move to suspend paragraph 4, Rule XVI, Standing Rules of the Senate, in order that I may move to amend H. R. 12392, making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1925, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1925, and June 30, 1926, and for other purposes, as follows:

Add the following paragraph in said bill:

"To pay Edith W. Peacock, treasurer of the Peacock Military College (Inc.), the sum of \$12,000 in full and final settlement of any and all claims which the said Edith W. Peacock and/or the said Peacock Military College has, or may have, against the United States, and of any and all claims which the United States has, or may have, against the said Edith W. Peacock and/or the said Peacock Military College arising from, growing out of, or in any way connected with the use and occupation by the United States, in connection with the operation of a vocational training school at or near San Antonio, Tex., of any and all lands, improvements, furniture, equipment, paraphernalia, or facilities owned or controlled by the said Edith W. Peacock or the said Peacock Military College: *Provided*, That before any sum is paid hereunder the said Edith W. Peacock and the said Peacock Military College (Inc.) shall file with the Comptroller General of the United States a waiver of all claims against the United States growing out of the matters herein set out."

Mr. WADSWORTH submitted an amendment intended to be proposed by him to House bill 12392, the second deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

Insert the following:

"That the Comptroller General of the United States be, and he is hereby, authorized and directed to reopen and adjust the claim of the State of New York, for which appropriation was made by the act of Congress approved February 27, 1906, on the same basis of like claims of Pennsylvania and Delaware, with the same force and effect as though appropriation therefor had not been made and accepted by said State."

JOINT COMMITTEE TO STUDY MILITARY PROPERTIES

Mr. WADSWORTH submitted an amendment proposing that the Committee on Military Affairs of the Senate and those members of the Committee on Military Affairs of the House of Representatives of the Sixty-eighth Congress who are Members elect to the Sixty-ninth Congress, or subcommittees thereof, be authorized to sit jointly or separately and until the meeting of the first session of the Sixty-ninth Congress, at such times and places as to them may seem advisable, to make investigation of the condition of the Army posts, forts, and other military properties, etc., intended to be proposed by him to House bill 12392, the second deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

SURETY BONDS IN FAVOR OF THE UNITED STATES

Mr. BRUCE submitted an amendment intended to be proposed by him to the bill (S. 2663) to standardize the procedure with reference to surety bonds running in favor of the United States, and for other purposes, which was ordered to lie on the table and to be printed.

CHANGE OF REFERENCE

On motion of Mr. SHIPSTEAD, and by unanimous consent, the Committee on Military Affairs was discharged from the further consideration of the bill (S. 4379) to provide for executing the convention regulating the level of the Lake of the Woods, and it was referred to the Committee on Foreign Relations.

PRESIDENTIAL APPROVALS

A message from the President of the United States by Mr. Latta, one of his secretaries, announced that the President had approved and signed the following acts and joint resolution:

On February 24, 1925:

S. 3173. An act to provide for the construction of a memorial bridge across the Potomac River from a point near the Lincoln Memorial in the city of Washington to an appropriate point in the State of Virginia, and for other purposes;

S. 3398. An act to authorize the city of Norfolk, Va., to construct a combined dam and bridge in Lafayette River at or near Granby Street, Norfolk, Va.;

S. J. Res. 95. Joint resolution to authorize the American National Red Cross to continue the use of temporary buildings now erected on square No. 172, Washington, D. C.

On February 25, 1925:

S. 2357. An act for the relief of the Pacific Commissary Co.;

S. 2835. An act to amend an act entitled "An act authorizing insurance companies or associations and fraternal beneficiary societies to file bills of interpleader," approved February 22, 1917;

S. 3180. An act to amend section 194 of the Penal Code of the United States; and

S. 3630. An act authorizing the Secretary of War to convey to the Federal Land Bank of Baltimore certain land in the city of San Juan, P. R.

On February 26, 1925:

S. 1918. An act to consolidate the office of Public Buildings and Grounds under the Chief of Engineers, United States Army, and the office of Superintendent of the States, War, and Navy Department buildings.

FUNERAL EXPENSES OF THE LATE SENATOR M'CORMICK

Mr. McKINLEY submitted the following resolution (S. Res. 346), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate is hereby authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the President pro tempore in arranging for and attending the funeral of the Hon. MEDILL M'CORMICK, late a Senator from the State of Illinois, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

INVESTIGATION OF PUBLIC LAND AND FOREST MATTERS

Mr. CAMERON submitted the following resolution (S. Res. 347), which was referred to the Committee on Public Lands and Surveys:

Resolved, That the Committee on Public Lands and Surveys, or any duly authorized subcommittee thereof, is authorized to investigate all matters relating to national forests and to the public domain and their administration, including grazing lands, forest reserves, and other reservations and lands withdrawn from entry. For the purpose of this resolution, such committee or subcommittee is authorized to hold hearings and to sit and act at such places and times, to employ such experts and clerical, stenographic, and other assistants; to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths and to take such testimony and make such expenditures as it deems advisable. The cost of stenographic service to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of such committee or subcommittee shall be paid from the contingent fund of the Senate. The committee or subcommittee shall make a final report to the Senate as to its findings at the beginning of the first regular session of the Sixty-ninth Congress, together with recommendations for such legislation as it deems necessary.

PRICE OF GASOLINE

The PRESIDENT pro tempore. The Chair lays before the Senate Senate Resolution 341, which will be read for the information of the Senate.

The reading clerk read the resolution (S. Res. 341) submitted by Mr. TRAMMELL on February 18, 1925, as follows:

Resolved, That the Federal Trade Commission be, and it is hereby, directed to forthwith transmit to the Senate a copy of its report on its investigation in 1923 and 1924 of the price of crude oil, gasoline, and other petroleum products and other data pertaining to the operations of the oil companies and refineries.

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the resolution proposed by the Senator from New Hampshire [Mr. MOSES].

Mr. CURTIS. Mr. President, I understand that the amendment of the Senator from New Hampshire was to address the request to the President. If the Senator from Florida will consent to amend his original resolution and insert therein the words "if not incompatible with the public interest," I am authorized by the Senator from New Hampshire to accept the amendment, so far as he is concerned, and agree to the adoption of the resolution.

Mr. TRAMMELL. Mr. President, I will accept, reluctantly, the amendment suggested by the Senator from Kansas [Mr. CURTIS] on behalf of the Senator from New Hampshire [Mr. MOSES]. I do not think the words suggested really ought to be in the resolution, but, realizing that the attitude of a great many Senators is favorable to the phrase being read into the resolution, if the resolution shall still be directed to the Federal Trade Commission, I am willing, under the circumstances, to accept the amendment, after the word "Senate," in the second line, inserting the words "if not incompatible with the public interest."

Mr. BORAH. Mr. President, I do not desire to interfere in this matter particularly, but I sincerely hope that we are not going to establish the precedent of permitting the Federal Trade Commission to determine the question whether or not the publication of such reports is incompatible with the public interest. That body stands in a wholly different relationship to the Congress from that of the President of the United States, and I myself should not want to be committed upon this proposition.

Mr. CURTIS. Mr. President, if I may interrupt the Senator, the amendment is proposed for this reason: The investigation was made at the request of the President of the United States, and the report of the investigation was turned over to the Department of Justice for such proceedings as might be determined upon. The Department of Justice is now considering the question and looking into the various items contained in the report. For that reason, if there is anything in it that ought to be held back, it is thought best not to send the report here until after the Department of Justice shall have acted.

Mr. MOSES. Mr. President, what the Senator from Kansas says is quite correct, but there is something more in the history of this investigation. The investigation was prompted by representations made, in the first instance, by the then Governor of South Dakota, who is so soon to become one of us in this Chamber, followed a day or two later by representations along the same line by the Governor of Nebraska, who is not to preside over this body after the 4th of March. Upon those recommendations the President directed the Federal Trade Commission to make this investigation. The report of the investigation was sent to him, and by him was transmitted to the Department of Justice, which is now at work upon it, as the Senator from Kansas and I have repeatedly asserted in the course of the discussion about this matter. Because of this antecedent history of the investigation, Mr. President, I felt that the resolution should be directed to the President rather than to the Federal Trade Commission.

However, I want somebody to determine whether a report standing in this relation, vis-a-vis a possible proceeding in the courts, shall be made public in advance of legal proceedings. That is the sole contention which I have made. I have not expressed any opinion in antagonism to the purpose the Senator from Florida has in mind. I have not undertaken to say that the information contained in the report might not at a proper time be useful to the Senate and to the public. I have taken the position I have regarding this matter solely because I did not wish a report which was being made the basis of investigation by a prosecuting agency to be broadcasted to the country in advance of action by such agency. I still maintain that it would be better to direct this request to the President rather than to the Federal Trade Commission; but so long as somebody who knows something about the report and the use being made of it will pass upon the question of whether or not it is compatible with the public interest that it should be given publicity, I shall not further object, in view of the Senator from Florida acceding to the request to insert the words "if not incompatible with the public interest."

Mr. BORAH. Mr. President, I think either the President or the Senate should determine whether or not this report should be made public. I do not want to have established the precedent of permitting the Federal Trade Commission to determine that question. I think we ought to determine that or else refer it to the proper authority for determination. It

looks to me to be quite a mistaken course to leave this question to the decision of a majority of the Federal Trade Commission. I should like an opportunity to vote on it; but I shall not delay the matter.

Mr. FESS. Mr. President, will the Senator yield to one question?

Mr. BORAH. Yes.

Mr. FESS. As I listened to the reading of the resolution I understood that its terms were mandatory rather than permissive, and that the Federal Trade Commission, therefore, would not have any latitude, but that if it found that certain matters should not be made public it would have to make it public anyway. Under the present wording of the resolution, as I understand, the Federal Trade Commission is directed, and not simply authorized, to transmit the report to the Senate.

Mr. MOSES. Mr. President, I have not the language of the original resolution before me, and I ask that the resolution may again be read for the information of the Senate.

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from New Hampshire?

Mr. BORAH. I yield.

Mr. MOSES. Mr. President, the question raised by the Senator from Ohio is such that I think it would be well to have the resolution again read.

The PRESIDENT pro tempore. Does the Senator desire it read as originally introduced or as modified?

Mr. MOSES. I should like to have it read as it will be with the perfecting amendment accepted by the Senator from Florida.

The PRESIDENT pro tempore. The Secretary will read the resolution as proposed to be modified.

The READING CLERK. As proposed to be modified the resolution will read:

Resolved, That the Federal Trade Commission be, and it is hereby, directed, if not incompatible with the public interest, to forthwith transmit to the Senate a copy of its report on its investigation in 1923 and 1924 of the price of crude oil, gasoline, and other petroleum products, and other data pertaining to the operations of the oil companies and refineries.

Mr. BORAH. Mr. President, to my mind that is manifestly improper.

Mr. HARRELD. Mr. President, may I ask the Senator from Idaho and the Senator from Florida a question?

Mr. BORAH. I yield.

Mr. HARRELD. Would there be anything improper in putting in the words "unless in the judgment of the President it is incompatible with the public interest"?

Mr. BORAH. Of course, the proper way, if we are going to leave it to the President, is to direct the resolution to the President and then put in the words, "if not incompatible with the public interest." But the relationship of the Federal Trade Commission to the Congress and its duties and responsibilities are such that I do not think we ought to establish the precedent of permitting that body to determine whether or not it is incompatible with the public interest to make public any document or report.

Mr. SHORTRIDGE. Mr. President, is it agreed on all hands that this report, whatever it may be, is now in the hands of the Department of Justice?

Mr. BORAH. I do not know whether it is true or not, but I am willing to concede the proposition.

Mr. SHORTRIDGE. Conceding that, then, is it proper for us to call upon the Federal Trade Commission to send the report to this body, to ask the Federal Trade Commission to pass upon the question whether it is incompatible or compatible with the public interest? If we want the document, why not ask the President or, if you please, ask the Department of Justice?

Mr. BORAH. If I understand the Senator correctly, we are in agreement. I think the resolution ought to go either to the President or else it ought to go directly to the Federal Trade Commission, directing them to report.

Mr. SHORTRIDGE. I do not think it should be passed at all, but if passed, the request should be made to the President.

Mr. MOSES. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state the inquiry.

Mr. MOSES. Is this resolution standing now exactly as it did yesterday, coming over from the previous day?

The PRESIDENT pro tempore. That is the understanding of the Chair.

Mr. MOSES. The amendment which I then offered to it is in order, and is before the Senate, is it not?

The PRESIDENT pro tempore. The resolution is taken up at the point at which the Senate left it yesterday.

Mr. MOSES. I had then offered an amendment.

The PRESIDENT pro tempore. And the question then was upon the amendment proposed by the Senator from New Hampshire.

Mr. MOSES. Mr. President, in view of what the Senator from Idaho has said, and in view of representations made to me by many Senators who immediately surround me, I think we should have a vote on my amendment.

Mr. TRAMMELL. Mr. President, it is agreeable to me for us to have a vote on the amendment proposed by the Senator from New Hampshire.

Mr. MOSES. That includes both points, Mr. President. It includes the language which the Senator from Florida is willing to accept; it also includes the directing of the resolution to the President, which the author of the resolution does not wish to accept.

Mr. JONES of Washington. Mr. President, may I ask the Senator from New Hampshire a question?

Mr. MOSES. Certainly.

Mr. JONES of Washington. I want to see if I understood the Senator correctly a moment ago. I understood him to say that this investigation was made by the Federal Trade Commission at the request of the President himself.

Mr. MOSES. Yes.

Mr. JONES of Washington. And the report was evidently made to the President.

Mr. MOSES. It was.

Mr. JONES of Washington. And then he sent it to the Attorney General's office?

Mr. MOSES. That is correct. The Senator will remember that the House of Representatives or the Senate or the President may direct the Federal Trade Commission to conduct an investigation.

Mr. JONES of Washington. I simply wanted to get the facts.

Mr. MOSES. And the President directed this investigation because of the representations made to him first by the Governor of South Dakota and then by the Governor of Nebraska.

Mr. JONES of Washington. And the report was made to him?

Mr. MOSES. And the report was made by the commission to the President; and the President, after reading it, sent it to the Department of Justice.

Mr. JONES of Washington. It seems to me, under those circumstances, that the resolution ought to be addressed to the President.

Mr. HARRELD. Mr. President—

Mr. MOSES. I understand the question before the Senate to be on agreeing to my amendment.

The PRESIDENT pro tempore. That is the question before the Senate. The Chair understands that the Senator from Florida indicated his willingness to accept a suggestion made by the Senator from Kansas; but the amendment has not been withdrawn, and therefore the question is upon the amendment.

Mr. HARRELD. Mr. President, before taking this vote, as a matter of shedding light, particularly on the question asked by the Senator from California [Mr. SHORTRIDGE], I should like to ask that the Secretary read the letter which I send to the desk from the Department of Justice.

The PRESIDENT pro tempore. Without objection, the letter will be read.

The reading clerk read as follows:

OFFICE OF THE ATTORNEY GENERAL,

Washington, D. C., February 17, 1925.

HON. JOHN W. HARRELD,

United States Senate, Washington, D. C.

MY DEAR SENATOR: I have the honor to comply with your request for information concerning recent investigations by the Department of Justice concerning conditions in the oil industry, for consideration in connection with Senate resolution 237, directing an investigation by the Federal Trade Commission relative to recent increases in the price of gasoline and as to the existence of monopolies or combinations in restraint of trade among the producers and wholesalers of gasoline.

In the spring of 1923, the department began an extensive investigation of conditions in the industry, following the receipt of complaints to the effect that the price of gasoline was being fixed by agreement. This inquiry soon developed that there was no control of the industry by the so-called independent producers and refiners. Later the department broadened the scope of its investigation to include a careful

record examination of the several companies of the Standard group to ascertain whether there had been any violation of the dissolution decree. The department promptly investigates all complaints which might give rise to evidence tending to show a violation of the decree.

This investigation disclosed that the Standard Oil Co. of Indiana, the Standard Oil Co. of New Jersey, the Texas Co., and the Gasoline Products Co. had interchanged licenses based on patents for "cracking" gasoline containing numerous conditions and covenants in restraint of trade and commerce in gasoline. A suit in equity was filed against these companies and their licensees charging that the agreements are violative of the antitrust act. A copy of the bill of complaint in this case is herewith handed you. Answers have been filed and application will shortly be made to the court to appoint an examiner to take testimony in various parts of the country.

During the summer of 1924 the department made an investigation of certain trade associations in the oil industry. This investigation did not disclose evidence warranting the institution of proceedings, although one association voluntarily abandoned the statistical service maintained by it during the inquiry.

In the course of these investigations the Department of Justice cooperated with and had the advice and assistance of the attorneys general of the several States. A conference was held with a special committee of the Association of Attorneys General of the States at which much useful information was exchanged. During the year 1924, partly as a result of such cooperation, the attorneys general of the States of Missouri and Nebraska, respectively, instituted suits in these States against the Standard and certain independent interests operating therein.

I would remind you that on December 19, 1924, the President appointed a Federal oil conservation board, consisting of the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, and the Secretary of Commerce, to formulate a policy for conserving the national oil and gas resources. It is my understanding that, as a part of its work of preparation, the board will make a detailed study of the oil industry in all of its branches.

Yours very truly,

A. T. SEYMOUR,
Acting Attorney General.

The PRESIDENT pro tempore. The question is upon the amendment proposed by the Senator from New Hampshire.

Mr. NORRIS. Mr. President, it would seem from the reading of the Attorney General's letter that Senators who are nervous about disclosing some secrets that might be of benefit to the Government in this prosecution that is being conducted on account of the Federal Trade Commission's investigation are unnecessarily alarmed. The Attorney General does not refer in the letter to the Federal Trade Commission's report. As far as the letter discloses, he has not any knowledge that the Federal Trade Commission has made a report. If this report by the Federal Trade Commission, which I have not seen and know nothing about, has disclosed evidence of conspiracy or other illegal acts, and that evidence is confidential and its disclosure would be detrimental to the interests of the Government in these prosecutions that are commenced or contemplated, I take it that the Attorney General would have said something about it in his letter to the Senator from Oklahoma.

Mr. HARRELD. Mr. President, this letter was in reply to a question from me as to what activities they were engaged in that they could make public without detriment to the public interests.

Mr. NORRIS. Exactly. I call upon the Secretary to give me the date of the letter of the Attorney General.

Mr. HARRELD. I call the Senator's attention, however—

Mr. NORRIS. Let us get one thing at a time.

The PRESIDENT pro tempore. The date is February 17.

Mr. NORRIS. Of what year?

The PRESIDENT pro tempore. 1925.

Mr. NORRIS. That is just a few days ago. That is since this resolution has been pending here.

Mr. CURTIS. Mr. President, may I interrupt the Senator?

Mr. NORRIS. I yield to the Senator from Kansas.

Mr. CURTIS. The attorney in charge of this matter called upon me and told me he was basing action upon the report of the Federal Trade Commission and that he now had men visiting different sections of the country to investigate the matters set out in that report with a view of bringing action.

Mr. NORRIS. Let me ask the Senator whether this attorney informed him that the publication of the report would interfere with their prosecution?

Mr. CURTIS. I confess that it was probably my fault, but I did not ask him about it. When he said that he was doing this I at once reached the conclusion that nothing ought to be published that would interfere with his work; but I did not ask him about it, and he said nothing to me about it.

Mr. HARRELD. Mr. President, it was not my intention in any way to intimate by having this letter read that the statements made by the Senator from Kansas and the Senator from New Hampshire were in conflict with this letter. The purpose in introducing this letter was simply to show that the Department of Justice is making an investigation and that it is relying on the investigation made by the Federal Trade Commission.

Mr. NORRIS. But there is nothing in the letter to show that they are relying on it.

Mr. HARRELD. I think there is.

Mr. NORRIS. I did not get that idea as it was read. Will the Senator have read a copy of the letter that he sent to the Attorney General that brought this response?

Mr. HARRELD. I have not it here.

Mr. NORRIS. Did the Senator in that letter make any inquiry about the publicity of the report that seems to be in issue here?

Mr. HARRELD. This letter was written in answer to an inquiry that I made relating to the former resolution offered by the Senator from Florida and not relating to this one. The purpose in introducing it here is to show that the Department of Justice is actually bringing civil actions and is actually starting prosecutions growing out of its own investigations as well as that of the Federal Trade Commission. That is the purpose.

Mr. NORRIS. I understand. I am not criticizing the letter. I am finding no fault with the letter. I am simply pointing out that, as I heard it read, there is no reference made to the report that this resolution of the Senator from Florida seeks to bring before the Senate. It has no reference to it.

Mr. HARRELD. The statement has been made here by other Senators, however, that this information is confidential in its nature. I did not offer this letter for the purpose of proving that. I take the word of my fellow Senators for that.

Mr. NORRIS. I care nothing about that. I do not think that has anything to do with it. If the Senator is trying to convince the Senate that the Attorney General is making an investigation, as he says, of his own accord, to bring about a prosecution, he has undertaken something that, so far as I know, no one has made any complaint about. I am not complaining of the Attorney General; but it appears from this letter that the Department of Justice is making an investigation of its own. It does not appear from the letter that it is basing that investigation on the report of the Federal Trade Commission.

Mr. EDGE. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator from New Jersey.

Mr. EDGE. As I understand the situation—it may be confusing—the Senator from Oklahoma addressed his inquiry to the Attorney General following the introduction of the first resolution by the Senator from Florida proposing an investigation. It had nothing to do with transmitting to the Senate the report of the Federal Trade Commission. That resolution proposed an original investigation.

Mr. NORRIS. Yes.

Mr. EDGE. The Senator asked the Attorney General's department, in view of that pending resolution, I assume—I do not know; I have not seen the letter; this is the first time I heard of it—what they are doing in the matter; but the question of the compatibility with the public interest of disclosing information previously received was not brought into that correspondence at all, so why should the Attorney General refer to it? That came afterwards.

Mr. NORRIS. Then why should the Senator offer the letter if it has not anything to do with it? It does not seem to me that it has anything to do with it.

Mr. EDGE. I agree with the Senator.

Mr. HARRELD. Mr. President, will the Senator yield?

Mr. NORRIS. Not just now. I am not to blame for bringing in the Attorney General's letter. I do not think it has anything to do—as far as I understand it, at least—with the pending resolution.

Mr. EDGE. I agree with the Senator absolutely. I do not think this letter refers to the question before the Senate.

Mr. NORRIS. That is all I am calling attention to.

Mr. HARRELD. Mr. President, will the Senator yield?

Mr. NORRIS. I yield; yes.

Mr. HARRELD. I repeat that I had no idea, in introducing this letter, of contradicting the statements that have been made here concerning the confidential nature of the report of the Federal Trade Commission. This letter was simply introduced as information on the subject brought out by the question of the Senator from California [Mr. SHORTRIDGE];

and I call the Senator's attention to this statement in the letter:

I have the honor to comply with your request for information concerning recent investigations by the Department of Justice concerning conditions in the oil industry, for consideration in connection with Senate Resolution 337—

That is the Trammell resolution—

directing an investigation by the Federal Trade Commission relative to recent increases in the price of gasoline and as to the existence of monopolies or combinations in restraint of trade among the producers and wholesalers of gasoline.

It does refer to the proposed investigation by the Federal Trade Commission—

Mr. NORRIS. No.

Mr. MOSES. Oh, no.

Mr. HARRELD. The proposed one.

Mr. NORRIS. No; I do not understand it in that way.

Mr. HARRELD. My purpose in introducing the letter is simply to show that the Department of Justice is making an investigation, that it is instituting prosecutions, that it is instituting civil actions, all growing out of the investigations which have already been made, the very investigations which it is requested shall be reported to the Senate.

Mr. NORRIS. The Senator is in error about that. I never saw the letter before, and I would be glad to be corrected if I am wrong, but I would like to have the Senator call attention to anything in the Attorney General's letter that has any reference to this resolution, or any bearing upon it.

Mr. HEFLIN. Mr. President, if the Senator will permit—

Mr. HARRELD. I call the attention of the Senate to this fact: That that must be considered in connection with the other facts here; that the Federal Trade Commission's report is in the hands of the Department of Justice for this very purpose. That is not contradictory at all.

Mr. NORRIS. Nobody has contradicted that. Everybody admits that the Federal Trade Commission's report is in the hands of the Department of Justice. The Senator does not need to offer a letter from the Attorney General to prove that, although the letter offered does not prove it, does not refer to it, does not say anything about it.

Mr. HARRELD. I will say—

The PRESIDENT pro tempore. The Senator from Oklahoma must address the Chair and get permission to interrupt the Senator from Nebraska.

Mr. HARRELD. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Oklahoma?

Mr. NORRIS. I yield.

Mr. HARRELD. The letter shows, however, that prosecutions are being instituted.

Mr. NORRIS. Suppose it does, who cares about that? What has that to do with this resolution?

Mr. HARRELD. Can we not draw a conclusion that they are based on this report of the Federal Trade Commission?

Mr. NORRIS. No; there is nothing in the letter that indicates that.

Mr. CARAWAY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. CARAWAY. I wonder what there is in the report which makes those who are so tender of the Gasoline Trust object to its publication. Has the Senator any idea?

Mr. NORRIS. I have not.

Mr. CARAWAY. There must be something in it.

Mr. NORRIS. I have no idea what it is. It seems to me that we ought to approach this thing in a sort of businesslike way. If the Department of Justice is making an investigation based on the report of the Federal Trade Commission, and it is of such a nature that the publication of the report would interfere with the prosecution of suits on behalf of the Government, it seems to me the Attorney General would have said so in that letter. Nobody here seems to know whether this report of the Federal Trade Commission is confidential or not. I do not believe the letter of the Attorney General bears one way or the other on the question of whether we should pass this resolution. The Attorney General's letter does show that a suit has been commenced and that an investigation by the Department of Justice has been instituted upon complaint of somebody, or upon their own initiative, to ascertain whether the defendants in the case—the oil companies—have violated the decree of the court. They investigated some independent companies and found out there was no violation. They then investigated the Standard Oil Co. of Indiana and several others named in the letter and reached the conclusion that they had

violated the decree, and an action in equity was commenced, which action is pending. Answers have been filed, and soon, they will begin to take testimony. That is what the Attorney General says.

Mr. STERLING. Mr. President—

Mr. NORRIS. Let me proceed just a moment, and then I will be glad to yield to the Senator.

Mr. STERLING. Very well.

Mr. NORRIS. The information really comes from the Attorney General's letter that these oil companies do not pay any attention to a decree of court. It is the same with the General Electric Company, found guilty of violating an injunction of the court dissolving them; they go right on with the business just the same. Then the Attorney General commences another suit in equity, and spends a lot of money, and eventually may prove or not, as the facts may develop, whether they violated the injunction. If they have violated it, there will be another decree of court, and they will say, "Gentlemen, now be good." There is no penalty, nothing but the injunction. Then they will go on and violate it just the same again, and another suit in equity will come, and if they find them guilty, another injunction will be issued, and the court will say, "Do not violate it any more," and the next morning they will commence violating again.

It seems to me that if the Attorney General has reached the conclusion that that injunction was violated, there ought to be an action for contempt of court, so as to bring about the enforcement of the court's decree. If these people have violated the injunction of the court, they ought to be punished for it. It is not sufficient to commence another action and get another injunction, and pile up injunctions mountain high that never do any good except advertise the business of the defendants. I have thought sometimes that trusts and monopolies would be willing to pay something to the Government to have them bring actions to dissolve them. They generally do better afterwards than they did before. If they violated the injunction, they ought to be punished.

Coming to this resolution, which is directly before the Senate, I doubt very much whether there is any statement to the effect that the publication would interfere, but I do not want to take any action here that would interfere with the proper prosecution on the part of the Government of this case or any other. I am perfectly willing that it should be properly safeguarded, so that if the publicity of the facts disclosed in the report of the Federal Trade Commission would interfere with the Government in its prosecution, or give premature publicity to any evidence which the Attorney General wants to keep unpublished at the present time, we should not compel its publication.

Mr. MOSES. Mr. President—

Mr. NORRIS. I will yield in just a moment. But to whom shall we direct the resolution? The investigation was made by the Federal Trade Commission at the request of the President. When it had been made, and the report prepared and signed, it was submitted to the President. The President then turned it over to the Attorney General. It seems to me it would be all right to direct the request to the President, to the Attorney General, or to the Federal Trade Commission, but if we directed it to the President we could very easily put in the words "if in the judgment of the President not incompatible with the public interest." The President ought to decide that, and he would no doubt be guided by the Attorney General.

Mr. MOSES. Mr. President, there are certain deductions which the Senator from Nebraska of course can recognize in this matter. In the first place, this report has been in the hands of the Federal Trade Commission, which prepared it; in the hands of the President, who directed the investigation and to whom the report was made; and in the hands of the Department of Justice, to which the President sent it. It seems to me to be perfectly deducible that if this report were innocuous it would have been made public, especially since the Senator from Florida has said that the assiduous gentlemen of the press had been after it but had not gotten it.

Mr. NORRIS. I am perfectly willing to have the words suggested put in the resolution, and I think the resolution ought to go to the President. The President ought to be the one to decide whether publicity would interfere with prosecutions.

Mr. MOSES. That is exactly what I was contending for in the amendment I proposed yesterday. It is the same principle now involved by the suggestion made by the Senator from Idaho, namely, that the Senate should not be dealing directly with independent executive establishments; that the natural avenue of communication is through the President, who has to take the responsibility for a matter of this sort.

Mr. NORRIS. I do not think quite that.

The PRESIDENT pro tempore. Does the Senator from New Hampshire yield to the Senator from Nebraska?

Mr. MOSES. I yield.

Mr. NORRIS. We ought to deal directly, where it is proper, with the Federal Trade Commission, but we should not let the Federal Trade Commission pass on the question as to whether this publicity would be incompatible with the public interest.

Mr. MOSES. The Senator means that we should deal directly with the Federal Trade Commission because of the statute creating the commission, which enables the Senate, acting on its own initiative, to direct the Federal Trade Commission?

Mr. NORRIS. I think we could get it from any one of the three sources. It would be proper to direct the resolution to the President, to the Department of Justice, or to the Federal Trade Commission. But if we direct it to anybody but the President, then we ought to say "if in the judgment of the President"—and they can communicate with the President and find out—"this information would not be incompatible with public interest."

Mr. MOSES. Why should we set up a pipe line between the White House and the Federal Trade Commission? Let us deal directly with the White House.

Mr. NORRIS. I have no objection to that, whatever, not the remotest.

Mr. MOSES. The President would have to pass on this. Even under the suggestion made by the Senator from Nebraska, the President would have to pass on it.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the Senator from New Hampshire.

Mr. HARRELD obtained the floor.

Mr. McKELLAR. Mr. President, may the amendment proposed by the Senator from New Hampshire be read for the information of the Senate?

Mr. HARRELD. Mr. President, I think I have the floor.

The PRESIDENT pro tempore. The Senator from Oklahoma is recognized.

Mr. HARRELD. I want to state that my only purpose in introducing the letter was for information. As I figured, it answered the question asked by the Senator from California. I am not opposing this resolution, and if it can be amended to conform to the suggestion of the Senator from New Hampshire, I shall vote for it. I do not want to be misunderstood in the matter at all.

I do think that, under the statements made here, the President directed this investigation for his own information, the report has been made to him, and by him turned over to the Department of Justice as the basis for action, perhaps, which has been brought; and as the basis for other actions the Attorney General might want to institute, criminal or civil. I believe that it would be the height of impertinence to omit a provision in the resolution preventing this information from being given to the public if the President feels it is such information as should not be given to the public. That is the only purpose I have. I am perfectly willing to vote for the resolution with that provision in it. So I expect to vote for the amendment offered by the Senator from New Hampshire.

The PRESIDENT pro tempore. The Chair desires to say, because some doubt has risen in regard to it, several Senators having made the suggestion, that if the resolution is not disposed of by 1 o'clock, it will go to the calendar.

Mr. JONES of New Mexico. Mr. President, I want to say just a word. It seems to me that there was not full information before the Senate when we were considering, in the first place, the amendment offered by the Senator from New Hampshire. If this investigation was directed by the President of the United States, and the Federal Trade Commission has made its report to the President of the United States, then it seems to me this request should be directed to the President. I think the amendment proposed by the Senator from New Hampshire is decidedly the wise course for the Senate to take, and I hope the amendment will be agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New Hampshire [Mr. MOSES].

The amendment was agreed to.

The resolution as amended was agreed to.

PROPOSED STATE TAX ON COTTONSEED OIL PRODUCTS

The PRESIDENT pro tempore. The Chair lays before the Senate a further resolution coming over from a previous day, Senate resolution 344, submitted by the Senator from Alabama [Mr. HEFLIN].

Mr. HEFLIN. Mr. President, I have had the resolution rewritten and I desire to offer it as a substitute for the resolution just laid before the Senate by the President pro tempore. I do not think there will be any objection whatever to it in this form.

The PRESIDENT pro tempore. The Secretary will read the amended resolution.

The reading clerk read as follows:

Whereas the free and untrammelled commerce between the several States is a cardinal principle of the commercial relationship between the States; and

Whereas the strict observance of this fundamental principle is necessary to the promotion and preservation of proper and cordial commercial relationship between the States; and

Whereas the Senate has information to the effect that the legislatures of some of the States have measures now pending which if enacted into law would be hurtful to the harmonious and reciprocal commercial relation of the States and set a precedent fraught with grave danger to the commercial interests of the various States: Therefore be it

Resolved, That it is the sense of the Senate that such legislation would be calculated to disturb and seriously impair the harmonious and reciprocal commercial relations of the States.

Mr. BORAH. The States which have in contemplation this legislation are fully cognizant of all the things there stated. I do not think the resolution will be calculated to harmonize the situation. I ask that the resolution go over.

The PRESIDENT pro tempore. Does the Senator ask that it go over without prejudice to its place as a resolution coming over from the previous day, because otherwise it will go to the calendar?

Mr. BORAH. I do not want to consider it now. I am not particular as to where it goes.

SEVERAL SENATORS. Regular order!

Mr. HEFLIN. I move the present consideration of the resolution.

The PRESIDENT pro tempore. The morning hour having expired, the Chair is compelled to lay before the Senate the unfinished business, which will be stated.

The READING CLERK. A bill (H. R. 8887) to amend an act entitled "An act to provide for the consolidation of national banking associations," approved November 7, 1918, to amend section 5136 as amended, section 5137, section 5138 as amended, section 5142, section 5150, section 5155, section 5190, section 5200 as amended, section 5202 as amended, section 5208 as amended, section 5209, section 5211 as amended, of the Revised Statutes of the United States; and to amend sections 13 and 24 of the Federal reserve act, and for other purposes.

The PRESIDENT pro tempore. The Chair now recognizes the Senator from Alabama to make his motion, if he desires to do so.

Mr. HEFLIN. Mr. President, this is a very important matter and the adoption of this resolution by the Senate would have a very wholesome effect throughout the country at this particular time. All the States east of the Mississippi buy hay and grain and cattle from the Western States. The Western States buy from the Southern States and the Eastern States. This is the first time in my service in Congress that a situation like the one that now confronts us has arisen, and I think that when the people in the various States—my State in the number—are wiring their Senators asking that some protest be made by the Senate against efforts, anywhere and everywhere, in the Union which will disturb and endanger the cordial and harmonious commercial relations now existing between the States that it would have splendid effect for the Senate to unanimously adopt this resolution. Such action on the part of a Senate composed of Senators from every State in the Union can do no harm, and many of us here believe that it will do great good. It will at least appeal to the genuine Americanism of all those who really love their country and have a proper regard for the ties that happily bind us in a great union of States. No one who understands and appreciates the Federal Constitution can say that the principle laid down in this resolution is not in keeping with the Constitution itself and with the best interest of all the States.

Senators know that some of the measures now pending in the legislatures of some of the States have for their purpose the keeping out of the State cottonseed-oil products. Cottonseed-oil products are, as we all know, of great food value, and the cottonseed-oil business is a legitimate business and is important to more than one-third of the population of the Nation. In making cottonseed oil into many food products we use milk, and when we use the cottonseed-oil products for such a purpose we are patronizing the milk industry of the West and the country.

The Southern States buy vast quantities of grain and hay and cattle from the Western States and we buy pork and mules from the Western States. We of the South, who produce cotton and cottonseed-oil products, spend hundreds of millions of dollars in the Western States. The commercial relationship now existing between the two sections is exceedingly cordial. Nothing ought to happen anywhere to disturb it. If we fail to sound this timely appeal and needed note of warning we will fail in our duty.

Mr. President, since this question has come to our attention I have been told of an instance where a Western State placed an embargo on the poultry of a Southern State and the Southern State retaliated by stopping fruit trees and grapevines from coming in from that State. If we start this sort of commercial warfare between the States God only knows where it will stop. As I said the other day, the time would soon come when the woolgrowing States would not want cotton goods to come in, and the cotton-growing States would retaliate by asking that woolen goods be not allowed to come into those States. The time would come when the wheat-growing States would protest against corn meal and other corn products coming into competition with wheat, and so on down the line. So far as the South is concerned, if driven to it, she can produce all of the products that we now buy from the West. Senators, nobody knows just where such a foolish and dangerous warfare would end. The time has been when a resolution of this character would have passed the Senate without a dissenting voice, and I do not believe that this Senate can now afford to fail to make this sound and vitally important appeal to the sound judgment and patriotism of all of those who love and want to serve their country.

Mr. SMITH. Mr. President, I do not care to discuss the resolution, which speaks for itself, but in order that Senators may know just what is proposed and perhaps what has been done in reference to the particular matter of cottonseed-oil products, I send to the desk and ask to have read a list of the bills by States and what they propose to do and the taxes and penalties which they propose to inflict upon this matter.

The PRESIDENT pro tempore. Is there objection to reading the list as requested by the Senator from South Carolina?

Mr. SMITH. It is a communication addressed to me setting forth the bills that are pending in the several legislatures affecting the matter.

The PRESIDENT pro tempore. The Senator from South Carolina understands that the resolution is not before the Senate. Is there objection to reading the communication? The Chair hears no objection, and the clerk will read, as requested.

The reading clerk read as follows:

WASHINGTON, D. C., February 24, 1925.

Hon. ELLISON D. SMITH,

United States Senate, Washington, D. C.

MY DEAR SENATOR SMITH: I have noticed with interest the action that is being taken relative to the unjust legislation against vegetable oils and margarine in the States of Wisconsin, California, Idaho, Indiana, Missouri, Nebraska, Ohio, Oregon, and Utah. For your information I am inclosing herewith a digest of the bills that are pending in these various State legislatures.

I am also inclosing herewith for your information copy of our Bulletin No. 8, which contains the opinion of some eminent scholars on legislation affecting margarine, as well as on the food value of it. The food value of margarine is discussed a little more fully in our Bulletin No. 4.

Very truly yours,

INSTITUTE OF MARGARINE MANUFACTURERS,
J. S. ABBOTT, Secretary,
By M. MCCARTHY.

BILLS PENDING

FEBRUARY 20, 1925.

Arkansas: House bill No. 75, taxing margarine wholesale dealers \$500, retail dealers \$100, has been amended by eliminating margarine taxes.

California: Assembly bill No. 408 prohibits vegetable-fat margarine and provides that only whole milk may be used in manufacture of oleomargarine.

Assembly bill No. 810 practically like No. 408.

Assembly bill No. 878 imposes 4 cents per pound tax on all margarine and imposes drastic advertising and branding provisions for margarine.

Idaho: House bill No. 210 imposes \$1,000 license tax on manufacturers of margarine, \$400 on wholesale dealers, \$50 on retail dealers, etc.

Indiana: House bill No. 135 prohibits sale of margarine to State institutions and imposes burdensome branding requirements.

Missouri: Senate bill No. 125 seeks to prevent the sale of artificially colored oleomargarine.

Nebraska: Bill imposes tax of 5 cents per pound on all oleomargarine.

Ohio: Bill has been introduced to prohibit the use of dairy terms in connection with margarine.

Oregon: Bill imposes tax of \$200 per year on manufacturer and wholesaler and \$5 on retailer.

Bill to impose a tax of 10 cents per pound on margarine has been introduced.

Utah: Bill similar to Idaho bill imposing license tax on manufacturers of oleomargarine \$1,000, wholesale dealers \$400, retail dealers \$50, etc.

Vermont: Four bills are pending:

House bill No. 81 prohibits the use of oleomargarine in State institutions.

House bill No. 120 increases retail license taxes from \$25 to \$50.

House bill No. 187 requires dealers to keep a record of oleomargarine sales and to pay a tax of 5 cents per pound.

Senate bill No. 45, branding bill, and requires percentages of ingredients to be shown on cartons and original packages.

Wisconsin: Assembly bill No. 21-a prohibits the manufacture and sale of all oleomargarine.

Assembly bill No. 7-A prohibits the sale of vegetable-fat margarine.

Assembly bill No. 79-A prohibits distribution of color capsules by dealers in oleomargarine.

Senate bill No. 53-S prohibits the manufacture and sale of all oleomargarine.

Senate bill No. 74-S prohibits public institutions from using oleomargarine.

Wyoming: House bill No. 151, dealer must furnish purchaser with statement that product is substitute for butter. Also prohibits use of dairy terms.

North Dakota: Senate bill No. 229, advertising bill.

Mr. SMITH. Mr. President, I ask permission to have printed in the RECORD a very short statement from Doctor Wiley, the food expert. The food value of this product as compared with the products which are sought to be protected by the tax imposed in the list of bills I have just read, is discussed by him. The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The statement of Doctor Wiley is as follows:

GOOD HOUSEKEEPING

BUREAU OF FOODS, SANITATION, AND HEALTH,

Washington, D. C., September 3, 1924.

Hon. J. D. MICKLE,

Dairy and Food Commissioner,

508 Worcester Building, Portland, Oreg.

DEAR MR. MICKLE: When I replied to your courteous inquiry of July 16 I was unaware of the character of legislation existing in your State, and I am told also in Washington, prohibiting the manufacture and sale of margarine to which any milk product has been added, if the margarine in question contains any vegetable oil or fat. I desire, therefore, to ask your permission to make an additional response to your letter in view of the above fact.

My experience extending over a period of about 40 years has led me to believe that the dairy industry is in more danger from its alleged friends than it is from any legitimate competition with any form of properly made margarine. Butter and margarines of all kinds are manufactured articles, but strictly the products of agricultural industry, one as much as the other. You doubtless are not old enough to remember the old-time country-made butter. When I was a boy, and for some time thereafter, the only butter that was on sale was this kind. I remember, and you can imagine, what a collection of different qualities of butter this proved to be. The greater part of it was inedible. It used to stand around the railway stations in barrels, waiting for shipment to a renovating establishment. When it reached this establishment it came in touch with the Federal laws enacted for the protection of the consumer and to prevent an open competition under false names with the genuine fresh butter, or that made from slightly soured cream in reputable dairies. Taxing renovated butter, however, practically drove it out of the market. There grew up in place of this abandoned industry another industry in which it was the cream that was left at the railway stations, where I have seen it frothing over the top of the container in hot weather and smelling unto heaven, and in order to avoid the tax and the labeling which renovated butter had to bear, the renovation was practiced on the cream, which was then made into butter and sold under names that gave no intimation of its character. In this condition of affairs the Commissioner of Internal Revenue in 1920, after a careful investigation of the subject, decided that renovated cream when used for the manufacture of butter did not produce a dairy butter worthy of the names usually used on butter of this kind, but it was in fact what the law defined as an "adulterated" butter.

When my attention was drawn to the legislation in Oregon and Washington, above referred to, I found that these laws had been ordered to a referendum in each of the States in accordance with the State laws by petition of a sufficient number of citizens of these States. This referendum will be voted on at the election on November 4, 1924.

I desire to call attention to what I think is an objectionable feature of legislation of this kind. Although veiled by what is practically a smoke screen to bring it in harmony with the so-called filled-milk bill, passed by the National Legislature during the year 1923, it is in essence an attempt to discriminate between different kinds of margarine. The sale of margarine made of animal fats and which contains any milk product is not forbidden by this legislation. A similar product, however, in every particular except containing vegetable fat or oil, and one which is entitled to contain a milk product quite as much as the other, is prohibited by this law. It is a type of class legislation which must of necessity prove repugnant to all well-thinking citizens, even if interested in the manufacture and sale of the product for which the discrimination is presumably made. It is evident that if margarine containing vegetable fats can be eliminated from the market there will be a correspondingly greater demand for oleomargarine containing only animal products. Yet the manufacturers of animal fat margarine do not seem to be at the bottom of this legislation, though it may for a time prove beneficial to the manufacturers of animal fat margarine. In the long run it must be realized that a vogue established by discriminatory legislation is not on a sound ethical and business foundation, and can not in the nature of things be expected to continue. Industry which is so benefited will in the long run always be injured by such favoritism. It is because of my interest in ethics and the prosperity of agricultural industry that I have uniformly during my whole official career opposed discriminatory or class legislation as an aid to special branches of agriculture. There can be no permanent benefit to agriculture by favoring one branch of it at the expense of another. It is robbing Peter to pay Paul.

There is, moreover, a more serious feature connected with this kind of legislation. There is in the public mind a fundamental and ineradicable sentiment of justice. In the passion of debate or of political excitement men of good intentions and favoring the general welfare may be persuaded to approve legislative practices which are not sound in ethics, morals, or political economy. There must be of necessity a reaction from this condition, and those branches of agricultural industry which have been benefited by vicious legislation of this kind will lose in popularity and respect in the public estimation. I desire to call attention in this particular to a very luminous incident which illustrates the above principle. Personally, I am very greatly interested in the dairy industry. I have a much larger sum invested in dairying than I should have, in view of my age and inability for other reasons to give personal attention to the industry. I have invested in the dairy industry at the present time about \$80,000. If I am able to pay my taxes, rising labor and feed bills, and general upkeep, and come out whole, I am lucky. But I never considered that it was wise and proper for me to bolster up my own business and try to make it more profitable by denying my fellow farmer an open market for what he has grown and has to sell. It never entered my head as a proper thing to increase the price of butter by interfering in any way with the production and sale of barley. I am of the opinion that there is just one proper way to proceed in the open competition of an American market for foods, and that is to produce the cleanest, best, and most palatable foods of the kind that you make that it is possible to do. I am willing to trust my milk and butter in the American market if I can make them pure, free of infection, and palatable in every respect. I would blush with shame to try to add one penny to the value of my product by denying my brother farmer the right to sell any edible meat, fat, or oil that he could grow and find a market for.

From the very beginning of the control of the manufacture of butter substitutes I urged upon the National Legislature a tax sufficient only to pay for the supervision necessary to identify the product. When efforts were made for higher taxes, evidently not for the purpose of identification but for restriction of manufacture, I felt very deeply that it was a violation of ethics and fair competition. This was particularly true in regard to the tax levied on colored margarine. I have all my life been an enemy of artificially coloring foods of any kind. If by taxation we could remedy this fault of manufacture, I was perfectly willing to advocate it, but when the bill was drawn to charge a tax of 10 cents per pound on colored margarine, while colored butter paid nothing, I felt that a most sacred principle of commercial ethics and fair competition had been struck down. The natural color of butter varies with the season of the year and the character of food given the dairy cow. In June, when the grass is fresh and the chlorophyll abundant, the oxidized chlorophyll, namely, xanthophyll, gives to the butter a deeper yellow tint. In winter, when only dry grass, and sometimes not much of that, can be obtained, the yellow coloring matter, which for convenience I have called xanthophyll, fades in intensity and the butter becomes of a lighter tint. It is, in my opinion, an adulteration to color a winter butter, or attempt to

color it, the bright yellow color of June butter. That is not the problem under discussion just now. It is surely a violation of privilege and of the rights of the consumer to tax an edible fat 10 cents per pound for being colored with the same coloring matter that another edible fat contains. I would joyfully support a measure taxing all colored food products 10 cents a pound if by that means the practice could be broken up, but I never could be persuaded that it was right to tax one wholesome article of food which used the very same pigment that another article of wholesome food was using tax free.

Assuming now that all varieties of margarine are using perfectly wholesome edible oils, that nature undoubtedly created for the purpose of nourishing the human animal, the prohibition of one of these manufactured articles can have only one purpose—that of increasing artificially by legislation the sale of another. In sacred literature vegetable oil is the one which was always used for religious ceremonies, and therefore it had a higher value in the eyes of the people, especially those who were practicing the rites of religion, than any of the animal oils. The oils that were first eaten as oils were altogether vegetable in character. The nutritive value of animal and vegetable oils is so nearly alike that one expression will do for all. It is only a few years since chemists and physiologists discovered that there was an element in oils, very important in its function, which showed a difference of constitution between the animal and vegetable oils. This discovery of that food accessory which gives different values to different oils has to some extent been detrimental to the popularity of the vegetable oils. It has not, however, diminished their consumption to any noticeable extent. All salads are still dressed with edible vegetable oils and not with animal oils.

It would seem incredible that any legislative body would undertake to prohibit the consumption of either a vegetable or an animal oil on any physiologic or economic ground. When such an attempt is made it is evident that it necessarily must be for a discriminatory purpose. This discrimination brings it into the forbidden field which I have already pointed out as being illogical, unjust, and unwise. I believe that if this matter be dispassionately, calmly, and plainly laid before the electorate of Oregon and Washington, that these unwise and discriminatory laws will be recalled. There is a large percentage of our people who prefer vegetable to animal oils and fats. The natural rights of this body of citizens are curtailed by reason of this legislation. Because a milk product is mixed with a vegetable edible fat, thus making it more wholesome, it is banished from the markets of two States, and the vegetarians living in those States are restricted in the free choice of their foods by methods repugnant to justice and reason. The indirection in the way this is done adds great astonishment to this unwarranted interference with the choice of foods. The action was not instigated by the makers of animal fat margarine, as one would naturally suppose. If urged by the dairy interests, or any branch thereof, it penalizes its own product. It brands an article as illegal because it contains milk or cream. This is the first instance that has ever come to my notice in 50 years of food legislation activities of an agricultural industry trying to commit suicide. The production of vegetable oils is a right which any farmer having the climate, soil, and opportunity, should be permitted to enjoy in peace and without infraction of his liberty. No market for these products should be closed without cause. Under the pure food law the market is closed if an injurious article is added. Here we find the market closed if a wholesome article is added.

From the very beginning I have vigorously fought all forms of fraud in the sale of margarine to the consumer. These frustrations of fraud under our wise system of Government must of necessity be left to the several States. The United States can only interfere in the District of Columbia and the Territories, and in the transgression of State lines. One regrettable result is wide variation in the State laws to protect the consumer against deception. The vigor with which laws are enforced is often of greater importance than the character of the laws. I have already advocated not only the best laws, but also the most vigorous enforcement thereof. In the best conditions the consumer may feel safe from fraudulent practices. There is no need in this relation to prohibit the manufacture and sale of vegetable margarine containing milk products. It would be just as wise to forbid the manufacture and sale of bread containing milk or butter. The wise and progressive dairyman will most successfully promote the interests of his business by favoring, in every honest way, the distribution of food products containing milk and its derivatives.

These laws should not only be recalled, but the voters of Oregon and Washington should demand legislation requiring all forms of butter and margarine to be truthfully labeled. The butter made from chemically rejuvenated cream should no longer be permitted to wear the garb of the genuine article. The good name of genuine butter, made with the highest available skill of the central dairy, and from the best cream, should no longer be smirched by the bad butter, which is the only kind that can be made from rejuvenated cream. The following simple act substituted for the present law would protect the citizen, safeguard the good name of butter, restore public confidence therein and establish justice:

"Butter and butter substitutes, in the manufacture of which any chemicals or other bodies have been employed to diminish acidity, or for any other purpose, shall be plainly and legibly labeled, with the word 'Neutralized' imprinted on at least one surface of every individual package."

As I said at the close of my former letter, I have no objection whatever to your publishing this communication.

Sincerely yours,

H. W. WILEY.

Mr. SMITH. Mr. President, I do not know whether it is wise or unwise for this body of men who are representing all the States affected, both those adversely and those that hope to be benefited by the legislation, to adopt such a resolution as is contemplated. It does seem that we are here given a better opportunity to know the conditions than the States separated. It does look as though we were usurping a State right. But the unwisdom of the proposed legislation in the various States can not be questioned by men on the floor of the Senate. It is an attempt to apply to our local and domestic affairs the iniquitous principle of the protective tariff. It is brought home to us as a striking and startling illustration of one community attempting to benefit itself by shutting out the competition of a substitute which may be of equal value to that which is of local production. It is not necessary for me to take the time of the Senate to animadvert to human nature. We know what will be the inevitable result of this kind of protection and this kind of legislation. Our theory in this country is that we ought to give the very freest chance in the field of opportunity to anything that may benefit the community. The merits of these substances ought to determine the market region that they may preempt and occupy. The merits of them, both as to quality and price, ought to be the measure of the volume in which and the territory over which they are consumed.

Doctor Wiley states in his testimony that these fats produced from refined vegetable oils obtained from the cottonseed are equal in every respect to those that are taken from the animal, and because perchance they are somewhat cheaper and come into competition with the animal products it looks to me like a dangerous innovation for the sovereign people of a State to be invoked through this local taxing power to destroy the very principle for which the Union was established and for which blood was shed that it might be maintained.

Mr. DIAL and Mr. SMOOT addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from South Carolina yield; and if so, to whom?

Mr. SMITH. I yield first to my colleague.

Mr. DIAL. If such legislation as that which my colleague is discussing shall be enacted by the States, will it not necessarily force each State itself to produce what it consumes? Therefore, of course, such legislation would destroy trade between the States.

Mr. SMITH. I now yield to the Senator from Utah.

Mr. SMOOT. I was going to ask the Senator from South Carolina if any of the bills to which he has referred had passed the legislature of any State?

Mr. SMITH. That is one of the very confusing elements in this situation.

Mr. SMOOT. I will say to the Senator that, so far as the State of Utah is concerned, the bill which was introduced there embodying such legislation was defeated.

Mr. SMITH. I am delighted to hear that, and I think the action which we are taking now will without doubt give the States to understand that such legislation would be violative of a fundamental principle which ought to exist and must exist if the Union is to exist. We could not live under circumstances which would be created by the passage of such legislation by the States.

Mr. SWANSON. Mr. President—

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from Virginia?

Mr. SMITH. I yield to the Senator from Virginia.

Mr. SWANSON. Mr. President, it seems to me that if the States of the West and Northwest insist upon the character of legislation of which complaint is made they would be the great losers by its enactment. The vast population of this country is in the East, and the same taxing and police power belongs to the great centers of population in the East that belongs to the more sparsely populated States of the West. So the States of the East might very easily exclude from their borders beef which was two days old or butter which was two days old, and by the exercise of their police power prohibit the sale of such commodities. There has been no effort by the various communities and industries in the East to use the taxing and police power to prevent the development of the West in that

direction; and it seems to me that in a spirit of liberality and common sense the West should recognize that its people would be injured more by such legislation than would the East. It would be, I repeat, very easy for the States in the East, exercising their police power, to prohibit the importation within their borders of beef two days old or three days old, and so forth, and thus shut out the sale of commodities from the West in the vast markets of the East. The East, however, has dealt liberally with questions of this character and has tried to develop the industries of all the States in the Union, because it recognizes that the strength of all, the wealth of all, and the development of all means the wealth, development, and growth of each. I am satisfied that the sober, sound sensible judgment of the West will not be subverted into countenancing this departure.

If so, its people will be the losers more than anyone else. It will be easy to develop the agriculture of the East close to the great centers of population by the exercise of the same character of discrimination which it is proposed shall be undertaken in certain other sections of the country.

Mr. BORAH. Mr. President—

Mr. SMITH. I yield to the Senator from Idaho.

Mr. BORAH. I desire to say that the people of the West and Northwest possess at least ordinary intelligence, and some of us think they possess extraordinary intelligence. I am satisfied that they are not going to do anything which is going to be destructive of the American Union, if they know it. They are not going to create a trade war; but I feel quite certain that this proposed action will not help the situation. Some of us are fully cognizant of the situation, and the people out there are fully cognizant of the situation. I am satisfied they are going to deal with it having the interests of all in view. We can not advise the States in their respective capacities from here in Washington as to what particular legislation the State legislatures should pass. If they shall pass laws in contravention of the Constitution, we have courts which will so declare. If they shall not be in contravention of the Constitution, but which involve a mere question of internal policy, it is certainly quite as destructive of the Union for this body to undertake to advise as to questions of policy within the States as it is for the States to undertake to enact legislation which they may deem to be wise.

Mr. SMITH. Mr. President, as a matter of course, theoretically, what the Senator from Idaho has stated is true, but when it comes to dealing with a fact which confronts us and not a theory, it seems to me it is a question for the Senate to decide, and the vote on the pending resolution will determine whether the Senator from Idaho expresses the sentiment of all the Members of this body, that we are estopped by virtue of the relation that exists between our National Government and the State governments from expressing our opinion, we having certain delegated powers, the other powers being reserved to the States. As the Senator from Idaho indicates, the proposed legislation by the States is well within their rights as States, but the purpose for which it is to be used is another matter, and that is what some of us question. We are apprehensive as to its effect; and the question now arising under this resolution is whether it is wise for us, representing as we do all the States, to recognize that the prosperity of one is a matter of concern to all, and that the relations between the States is a matter of concern to us all, for there is not an asset in a State in the Union that is not an asset in every other State of the Union. Having that view of the subject, I am content with what I have already said and what I said in my speech the other day in presenting this question. I am content to let the other Members of this body judge for themselves whether it is wise for us, gathered together here, representing the 48 States in this body, with the personal touch, with the feeling of community interest that must be greater here than it can be in a single State, to take this action. My relation to the Senator from Idaho necessarily gives me that personal touch with his State that I might not have merely as an individual legislator in my State, and the same statement is reciprocally true of him. That is one of the wise provisions of our dual form of government. Surely we ought to be in a position here to decide—

Mr. McNARY. Mr. President, I rise to a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Oregon desires to make a parliamentary inquiry. He will state it.

Mr. McNARY. I make the point of order that the Senator from South Carolina is out of order, and that the regular order is the unfinished business.

The PRESIDENT pro tempore. The Chair is compelled to overrule the point of order. The Senator from South Caro-

lina, technically speaking, is discussing the amendment on pages 9 and 10 of the banking bill.

Mr. SMITH. And I gave notice to that effect. The question I am discussing may involve very seriously the banking interests of America. However, Mr. President, as I was saying, with all the facts before us, it now comes to the question raised by the Senator from Idaho as to whether or not it will be discreet or wise, whether it will further the interests of harmony and good will amongst the States to adopt this resolution. None of us can question the danger involved in the character of legislation of which complaint is made when we take into consideration its object. If the object were to raise taxes and the products of my State, or products of the State of Virginia, were going into the States where this legislation is proposed and were consumed to such a great extent that they afforded splendid objects of taxation for the purpose of raising revenue, there might be no question raised; but the legislation is proposed not for the purpose of raising revenue but for local protection. It is proposed to tax a commodity produced in another State so as to remove it from competition with an article produced locally.

Mr. BROOKHART. Mr. President—

The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from South Carolina yield to the Senator from Iowa?

Mr. SMITH. I yield.

Mr. BROOKHART. I should like to call the Senator's attention to the fact that for the year 1923-24 the value of cottonseed oil used in the manufacture of oleomargarine was \$2,084,000, while during the same year the value of cottonseed cake and meal fed to dairy cattle was \$35,000,000. The measures to which the Senator from South Carolina refers are being enacted, or are proposed to be enacted, rather, for the protection of the dairy business. The great item of value to the cotton raisers is the development of the dairy industry as against the oleomargarine industry.

Mr. SMITH. The Senator called my attention to those figures the other day. My interpretation of them is that they intensify the local selfish feeling rather than constitute an argument against their being local selfish interests, for the reason that we all know that cottonseed cake and cottonseed hulls are the finest cattle feed in the world; they have no competitor, and the man who attempts to fatten cattle by the grain and hay process as against the cottonseed meal, hull, and cake process is handicapped in the market. Therefore the Senator's State wants to bring in from my State what will be most advantageous for his State and by taxation keep out of that State what will do them the most harm in competition. In other words, they want to develop their cattle industry and the milk and butter industry and to take that part of the cottonseed products that will do that thing, but when the milk is produced they want to shut out the other product of cottonseed which comes in competition with their milk.

Mr. BROOKHART. But here is the situation: One Senator in this Chamber told me that he lost \$13,000 on a dairy farm last year in one of the States where legislation to which the Senator from South Carolina refers is imminent, and another Senator told me that his deficit was \$4,500 on a dairy farm in a New England State. So in some way or other the people in certain States are probably looking out for the dairy industry, and, since the dairy industry uses cottonseed products of so much greater value, I am not sure but what it would be better for the South to develop the dairy industry instead of promoting the oleomargarine industry.

Mr. SMITH. I want to say to the Senator in passing, although I do not think it adds to or subtracts from the principle involved in the proposed State legislation, that, so far as the cottonseed cake is concerned, there is not enough of it produced in all the cotton-growing States to meet the demand for it in other directions. The cake is sold because, in the form of meal, it is such a preeminent finisher of beef cattle and such a wonderful milk producer.

Mr. BROOKHART. But a little bit of oleomargarine sometimes will knock down the price of butter so that it puts the dairy cow clear out of business.

Mr. SMITH. If the oleomargarine has the merit and the power to do that, we have no right by adverse legislation to deny it the field in which it is preeminent. It is the application of the old principle of the survival of the fittest.

Mr. JOHNSON of Minnesota. Mr. President—

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Minnesota?

Mr. SMITH. I yield.

Mr. JOHNSON of Minnesota. I represent a dairy State, and I can not see any danger in the State legislatures of various

States in the Northwest and the West passing some character of legislation to protect the dairy industry. Several years ago, in my State, we enacted a law—I was a member of the State senate at that time—to prohibit the use of oleomargarine as a substitute for butterfat in our State institutions. We did that because we thought that the butter-producing States of the Union should use their own product instead of buying oleomargarine to feed the unfortunates in their own State institutions.

I want to call the attention of the Senator from South Carolina to the fact that I have been told by eminent physicians that there is no substitute for butterfat in building up the bodies, the bones, the muscles, and the brains of these unfortunates who are in the State institutions, who ought to be brought back to their stations in life that God Almighty intended them to have. When we saw that our own institutions used this other material, we presented this bill.

I want to say to the Senator from South Carolina that before that day I had heard of great misrepresentations among the millions of consumers in the East against the dairy butter that we manufacture in Wisconsin and Minnesota and portions of Iowa; but on the morning of the day that we took final action on that bill I came into the Senate Chamber, and I saw a pamphlet on my desk, and I looked around and I saw one on the desk of every Senator; and what do you suppose it was? The cover was printed in color, showing the inside of a store, and a lady on one side of the counter and the business man, the storekeeper, on the other; and here was the oleomargarine put up in nice packages, and the farmers' butter on the other side. This pamphlet was there because they were going to kill that bill that morning; but that was not all that was on the front cover of that pamphlet. There was another picture, a picture of an old mossback farmer milking his cow on the wrong side, and that cow had an exceptionally long tail, and the end of the tail was in the milk pail, and a dead hog was pictured lying out in the gutter of his barn, and flies and filth were pictured everywhere.

Why was that damnable pamphlet put under our eyes that morning? It was there to show us under what clean, healthy, sanitary conditions the oleomargarine was made that was manufactured by this concern that distributed these pamphlets probably to millions of consumers in the East, and, on top of that, to advertise under what dirty, unhealthy, unclean conditions we farmers manufacture the golden dairy butter.

Mr. SMITH. Mr. President—

Mr. JOHNSON of Minnesota. I am through; just a moment. Pardon me for taking up the Senator's time. As the Senator knows, I have not taken up any time at this session, and I did not expect to take up very much, either. If I get started talking I may talk for the five days we have left, but I am not going to do that.

Mr. SMITH. Would not the Senator prefer to make his talk in his time, when I get through?

Mr. JOHNSON of Minnesota. Will the Senator yield just a moment more? Then I am through.

Mr. SMITH. Yes.

Mr. JOHNSON of Minnesota. So if any State legislature desires to put a law upon its statute books to protect its own industry, I can not do otherwise than defend it. I know that dairy farmers by the thousands in my State are losing money to-day; and the Senator will remember the little resolution I introduced here at the last session. Action was taken upon it, and they have been investigating, and they are compiling the figures now. It will be two or three months more before the Tariff Commission will make a report to the President, and I do not know whether or not they will recommend the 4 cents a pound increase in the duty on butter.

Look at the New York market alone. A year ago last January and February butterfat to the amount of nine and a half million pounds was dumped on this market from Denmark and New Zealand; and that is the reason why the States begin to think we ought to do something.

I do not think the Senator from Alabama need be afraid that the States are going to have a trade war between themselves. There are a lot of things that we need from the South. We have to buy your cotton goods; but unless the farmers up in the great Northwest have a buying power we can not buy the cotton goods that are manufactured over in the mills of the New England States and the raw material that is produced down in the South. So we ought to have justice, we ought to have equity between the States. Therefore, I agree with the Senator from Idaho, that I do not think I will vote for this resolution.

Mr. SMITH. Mr. President, it is very refreshing to hear the Senator from Minnesota frankly admit that this is a do-

mestie form of the protective tariff on the part of one State against another. He has remarked, in a very persuasive argument, that the consumption of butter has a great effect upon the brain. We have observed that in the case of those who come from the butter States, and we have seen evidences of its fructifying power. But, coming back to the proposition, the Senator indicates just what perhaps is the controlling principle in the list of proposed, or perhaps enacted, measures. I believe that some of the States mentioned there have already enacted this law. I notice that some of the laws have been amended; but, Mr. President, this is too serious a matter for us to let it pass unnoticed.

In conclusion, Mr. President, I want to repeat what I said the other day, that we laid the foundation for this when we passed the infamous law levying a tax of 10 cents a pound on oleomargarine. If we had contented ourselves with the fair proposition that under the pure food law each article should be branded so as to show what it was, and then, in the field of opportunity, fight for the recognition of its merits, nobody could have questioned it. No man has a right to sell oleomargarine as butter, or butter as oleomargarine. Let each be named and labeled in accordance with what it is, and then let them fight it out amongst the customers as to merit and price, and not recognize the competitive power of one against the other to the extent of being willing to pervert the relation of the States by imposing a tax. That is the strongest proof in the world that oleomargarine is a competitor with your butter; you do not dare let it get into your market for fear it will drive out the butter.

The Senator from Minnesota spoke about the poor farmer milking the cow. What about the poor farmer hoeing the grass from out the cotton? One you get through in a few minutes; the other you never do get through. The cotton farmer works 13 months in the year.

Then another proposition, Mr. President: I suggested this to Doctor Wiley when the controversy arose as to the relative merits of Elgin butter and oleomargarine. Doctor Wiley testified that oleomargarine in every essential was just as good as butter. He repeats it in the article which I sent up to have printed.

Mr. President, we feed a cow cottonseed meal. We give her a filler of cottonseed hulls and nothing else. We milk the cow and churn the butter from the milk. The chemical machinery of the animal produces the butter. I take the cottonseed oil and run it through a machine and by an artificial chemical process extract the butter. What is the difference? I vote for the machine, for it is not as liable to disease as the cow is. The source of the butterfat is identically the same.

I have fed my cows on cottonseed meal, cottonseed, and cottonseed hulls alone. I have taken the milk product from the chemical reaction of the cow and churned it, and I got the butter. I have taken identically the same product and run it through a machine and extracted the butter by a chemical process. I vote for the machine process. It is cleaner; it is less liable to disease; and it has won its way in the markets to such an extent that it caused us here in this body to pervert the very rule that ought to govern us in the production and development of our resources, so as to lay a tax on oleomargarine. We ought to repeal the one and petition our States not to enact the other.

MRS. M. J. ADAMS

Mr. STEPHENS. Mr. President, I ask unanimous consent for the present consideration of House bill 5236, Order of Business No. 1239, for the relief of Mrs. M. J. Adams.

The PRESIDING OFFICER (Mr. Fess in the chair). Is there objection?

Mr. SMOOT. Mr. President, I do not know what the bill is. I want to get up a conference report that I have been waiting here over a day now to bring up.

Mr. STEPHENS. I will say to the Senator that this is a very small matter, and it ought not to occupy more than a moment.

Mr. SMOOT. The conference report on the Interior Department appropriation bill is not a small matter, and we have very little time in which to get it through.

Mr. STEPHENS. I understand, but I am just saying that this bill will not occupy very much time. I do not think there will be any debate on it.

Mr. HEFLIN. If we can have a vote on my resolution now, and get it out of the way, we can then take up all of these matters.

Mr. SMOOT. The resolution is not before the Senate.

Mr. HEFLIN. Yes, it is.

Mr. SMOOT. Oh, no.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi?

Mr. SMOOT. What is the calendar number of the bill?

Mr. STEPHENS. It is Order of Business No. 1239.

Mr. HEFLIN. Mr. President, my resolution is before the Senate. I moved the adoption of it. If we can have a vote on it, and dispose of it—I do not think it will take more than a minute—we can then get up these other matters.

The PRESIDING OFFICER. The Senator from Mississippi makes a unanimous-consent request. Is there objection to it?

Mr. SMOOT. I do not know what the bill is, but I will not object, Mr. President, and as far as I am concerned the Senator can have his bill passed.

The PRESIDING OFFICER. The Secretary will state the title of the bill.

The READING CLERK. A bill (H. R. 5236) for the relief of Mrs. M. J. Adams.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. KING. Let it be read.

The reading clerk read the bill; and, there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

ORDER OF BUSINESS

Mr. STEPHENS. Mr. President, there is a companion bill to this which I should also like to have considered and passed at this time.

Mr. SMOOT. Mr. President, I am going to ask the Senator from Pennsylvania [Mr. PEPPER], who has the unfinished business in charge—

Mr. HEFLIN. Mr. President, I make the point of order that the unfinished business now is my resolution. I have moved its adoption, and the Chair recognized me for that purpose.

The PRESIDING OFFICER. The Chair must state that the unfinished business is the banking bill. The resolution of the Senator from Alabama is upon the calendar and not before the Senate now.

Mr. KING. Mr. President, a parliamentary inquiry. While I am opposed to the resolution of the Senator from Alabama, as I understood, he moved its adoption, and his motion contemplated laying aside temporarily the unfinished business.

The PRESIDING OFFICER. The Chair has not recognized any Senator to make such a motion.

Mr. KING. Mr. President, before the present occupant of the chair assumed that distinguished position the Senator from Alabama moved to proceed to the consideration of his resolution.

The PRESIDING OFFICER. If that is the case—

Mr. LENROOT. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. LENROOT. I would like to inquire what the state of the record actually is upon that subject.

The PRESIDING OFFICER. The Chair must ask the reporter as to whether the motion was made to take up this resolution.

Mr. SMOOT. Mr. President, I do not know what the record shows, but I do know that the President pro tempore ruled that the unfinished business was before the Senate, and therefore the Senator from South Carolina was in order, because he was speaking to an amendment on pages 9 and 10 of the bill which is the unfinished business. That is what the President pro tempore said.

Mr. HEFLIN. Mr. President, the Senator from Idaho [Mr. BORAH] suggested that my resolution go over, and I then moved that it be taken up, instead of asking unanimous consent. The Chair recognized me for that purpose, and I addressed the Senate on that motion.

The PRESIDING OFFICER. The present occupant of the chair must state that the Senator from Oregon made a point of order against the Senator from South Carolina proceeding. The occupant of the chair then, the President pro tempore of the Senate, ruled that the Senator from South Carolina was in order, as he was speaking to an amendment to the banking bill. If that ruling is correct, then certainly the Senator from Alabama is out of order.

Mr. HEFLIN. Mr. President, if that is correct, then what becomes of the motion I made? The Chair recognized me to make the motion, and then I addressed the Senate on the motion.

The PRESIDING OFFICER. The RECORD shows that the Senator from Alabama used the following language:

I move the present consideration of the resolution.

The PRESIDENT pro tempore. The morning hour having expired, the Chair is compelled to lay before the Senate the unfinished business, which will be stated.

The reading clerk then read the title of the unfinished business. The President pro tempore stated immediately after that:

The Chair now recognizes the Senator from Alabama to make his motion, if he desires to do so.

There is no record that the motion was made after that.

Mr. HEFLIN. I did make the motion.

The PRESIDING OFFICER. The Chair will rule that the motion was made, since the President pro tempore said he would recognize the Senator for that purpose.

Mr. LENROOT. Mr. President, the Chair rules that the motion of the Senator from Alabama is now before the Senate?

The PRESIDING OFFICER. That the Senator from Alabama made the motion.

Mr. LENROOT. I make the point of order that the motion is not in order, because it is clearly in violation of Rule IX.

The PRESIDING OFFICER. The Chair must rule that Rule IX does not apply, since it applies only to the morning hour. The morning hour started at 11 o'clock to-day and closed at 1.

Mr. LENROOT. Mr. President, will the Chair hear me upon that point?

The PRESIDING OFFICER. The Chair will hear the Senator from Wisconsin.

Mr. LENROOT. Rule VIII applies to the morning hour. Rule IX applies only to business after the morning hour, and I would like to be heard upon that. There are a number of precedents on the subject. Rule VIII applies to the morning hour.

The PRESIDING OFFICER. The Chair will be glad to hear the Senator from Wisconsin on this question. The Chair decided that Rule IX did not apply. If the Chair is mistaken on that point he would like to be enlightened.

Mr. LENROOT. That is what I would like to be heard on. Let me read Rule IX.

Mr. KING. Mr. President, will the Senator yield for a question, so that he may answer the question and save me interrogating the Chair? Suppose the Chair did lay before the Senate the unfinished business, to wit, the banking bill, as he did, that would not, as I understand either Rule VIII or Rule IX, preclude the Senator from Alabama or any other Senator from moving to take up some other bill.

Mr. LENROOT. No.

Mr. KING. He would not have to precede the motion by a motion to lay aside the unfinished business.

Mr. LENROOT. If this had been a bill, the motion would be in order, but it is not a bill, it is a resolution, and this does not cover resolutions.

Mr. KING. There may be something in that point.

Mr. LENROOT. I think what the Chair is troubled about is whether Rule IX applies before 2 o'clock or after 2 o'clock. Am I correct?

The PRESIDING OFFICER. The Chair's concern was that the morning hour had closed at 1 o'clock instead of 2.

Mr. LENROOT. Of course, I agree to that. The morning hours closes two hours after the session begins, so that at 1 o'clock to-day, as a matter of fact, the morning hour was closed.

The PRESIDING OFFICER. That is the Chair's opinion.

Mr. LENROOT. And Rule IX then applied. May I say to the Chair that this question was discussed and argued somewhat the other day by the Senator from Nebraska [Mr. NORRIS], I think, on an entirely erroneous construction of the rule. First, Rule VIII, as the Chair is well aware, applies to business in the morning hour, the morning business. It provides for a call of the calendar up to a certain time, after the routine morning business is concluded. Then Rule IX provides:

Immediately after the consideration of cases not objected to upon the calendar is completed, and not later than 2 o'clock—

The PRESIDING OFFICER. Let the Chair ask the Senator would not that mean, to-day, not later than 1 o'clock?

Mr. LENROOT. Exactly; not later than 1 o'clock. To-day not later than 1 o'clock what must be done? That is, by 1 o'clock—and it might come earlier, but at 1 o'clock at any rate—the things provided in Rule IX must be done; and what are they?

Mr. HEFLIN. Mr. President, if the Senator will permit me, my contention is that if the Chair did lay before the Senate the unfinished business, and I moved to take up a resolution or any other business, in spite of the fact that the unfinished business was the pending measure, my motion would be properly before the Senate, and the Senate could dispose of it by voting on it.

Mr. LENROOT. Mr. President, that is exactly what we are discussing, whether Rule IX permits any such motion. If I am correct in my construction of the rule, the words "not later than 2 o'clock," and to-day "not later than 1 o'clock," mean that this order of business must be entered upon by 1 o'clock, if not before, and must continue for the rest of the day. Then it is clear that Rule IX applies.

What can be done under Rule IX? The calendar is called, and bills are taken up in their order. But there are certain privileged motions which are permitted. The first is:

A motion to proceed to the consideration of an appropriation or revenue bill.

Second. A motion to proceed to the consideration of any other bill on the calendar—

Resolutions are not included—

which motion shall not be open to amendment.

Third. A motion to pass over the pending subject, which if carried shall have the effect to leave such subject without prejudice in its place on the calendar.

Fourth. A motion to place such subject at the foot of the calendar.

Each of the foregoing motions shall be decided without debate and shall have precedence in the order above named, and may be submitted as in the nature and with all the rights of questions of order.

What is the situation? At 1 o'clock to-day—2 o'clock ordinarily, when we meet at 12—the Chair properly laid before the Senate the unfinished business. What motions would have been in order after that? The first privileged motion would have been a motion to take up an appropriation bill. The second privileged motion would have been a motion to take up any other bill on the calendar. That does not cover resolutions. Third, a motion to pass over the pending subject; and fourth, a motion to place such subject at the foot of the calendar. Those are all the motions that are in order to-day after 1 o'clock.

The PRESIDING OFFICER. Does the Senator from Wisconsin base his objection on the second subdivision of the rule, "to proceed to the consideration of any other bill," contending that the motion of the Senator from Alabama is out of order because it refers to a resolution and not a bill?

Mr. LENROOT. Certainly.

The PRESIDING OFFICER. The Chair must confess that he did not realize whether it was a resolution or a bill.

Mr. LENROOT. It is a simple resolution, a Senate resolution, and of course it does not come within the rule.

The PRESIDING OFFICER. Under that construction the Chair would have to rule that he misconstrued the rule on which he was basing his ruling that any other bill could be taken up. The Chair assumed the motion of the Senator from Alabama covered a bill.

Mr. HEFLIN. I made my motion after 1 o'clock. The Senate met at 11 o'clock, and the President pro tempore announced that the morning hour would close at 1 o'clock instead of 2. After the morning hour was over and the President pro tempore laid the unfinished business before the Senate it was in order then for any Senator to make a motion that we proceed with some other measure and thus sidetrack the pending measure. That is my contention.

Mr. LENROOT. Before 1 o'clock?

Mr. HEFLIN. No; after 1 o'clock.

The PRESIDING OFFICER. The Senator will understand that the Chair was ruling in his favor in view of this second clause. "A motion to proceed to the consideration of any other bill on the calendar, which motion shall not be open to amendment." The Chair was ruling in favor of the Senator thinking that he was moving to take up another bill, but instead of that the Senator was moving to take up a resolution.

Mr. HEFLIN. Where is the rule which provides that it will not be in order to move to take up a resolution or any other matter?

Mr. LENROOT. The only motions that are in order after 1 o'clock to-day are named in Rule IX.

The PRESIDING OFFICER. The original ruling will have to be modified, because of the confusion of the terms "bill" and "resolution."

Mr. HEFLIN. Does the Senator from Wisconsin object to the passage of my resolution?

Mr. LENROOT. I made the point of order. I insist upon it.
Mr. HEFLIN. I was going to ask unanimous consent—
The PRESIDING OFFICER. The Chair sustains the point of order.

JAMES T. CONNER

Mr. SMOOT. Mr. President, the junior Senator from Mississippi [Mr. STEPHENS] is interested in having passed at this time Senate bill 4337, for the relief of James T. Conner; and as the Senator is not feeling well and must leave the Chamber, I will yield to him to have that bill passed. He wants to substitute a House bill, which has just come over, for the Senate bill on the calendar covering the same subject.

Mr. STEPHENS. I ask that the Chair lay before the Senate House bill 11009, which has just been sent over from the House.

The PRESIDING OFFICER. The Chair lays the bill before the Senate, and it will be read.

The bill (H. R. 11009) for the relief of James T. Conner was read the first time by its title and the second time at length, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James T. Conner, of the county of Tippah and the State of Mississippi, the sum of \$4,000, in full compensation for the injury which he as a civilian in the service of the United States received in a fight with Army deserters in Tippah County, Miss., in 1918.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

Mr. STEPHENS. I ask that Senate bill 4337 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, that order will be entered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed a bill (H. R. 12348) to create a Federal cooperative marketing board, to provide for the registration of cooperative marketing, clearing house, and terminal market organizations, and for other purposes, in which it requested the concurrence of the Senate.

THE MEAT-PACKING INDUSTRY (S. DOC. NO. 219)

Mr. NORRIS. I ask unanimous consent that the report of the Federal Trade Commission on the Secretary's desk in answer to a resolution of the Senate on the so-called consent decree in the packers' case be printed as a Senate document. I will state to the Senate that the question was taken up at a meeting of the Agricultural Committee this morning and I was authorized by unanimous vote of the committee to make this request of the Senate.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

MUSCLE SHOALS (S. DOC. NO. 217)

Mr. NORRIS. I have still another request to make. I was speaking with the Senator from New Hampshire [Mr. KEYES], the chairman of the Senate conferees on the so-called Muscle Shoals bill, and he told me that the conferees this afternoon would submit a conference report to the Senate. I have an understanding with the Senator that he will not call it up to-day. I ask unanimous consent when the report is submitted that the report of the conferees and the Senate bill be printed in parallel columns in bill form for the use of the Senate.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

CLAIMS ARISING FROM OPERATIONS OF THE ARMY

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 2527) for the payment of claims for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army, which were, on page 2, to strike out line 2, and in line 3 down to and including "\$538"; on page 2, to strike out line 8; on page 2, to strike out lines 15 to 18, inclusive; on page 2, to strike out lines 22 and 23 and in line 24 strike out "\$512.20"; on page 3, line 1, after "\$18,000," to strike out "to Lee C. Davis, Wrightstown, N. J.," and in line 2, to strike out "\$1,807.61" and insert: "to R. B. MacCallum and Dr. E. E. Wagner, Wilkes-Barre, Pa., \$2,232.75; to Kinsey-Davidson Electric Welding Co., Milwaukee, Wis., \$3,500."

Mr. WARREN. I move that the Senate agree to the House amendments.

The motion was agreed to.

LANDS IN THE L'ANSE AND VIEUX DESERT INDIAN RESERVATION, MICH.

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 1237) for the relief of settlers and claimants to section 10, lands in the L'Anse and Vieux Desert Indian Reservation, in Michigan, and for other purposes, which was, on page 1, line 10, after "\$3,495" to insert ", said amounts to be reimbursed under such rules and regulations as the Secretary of the Interior may prescribe."

Mr. FERRIS. I move that the Senate concur in the House amendment.

The motion was agreed to.

W. H. KING

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 2503) for the relief of W. H. King, which was, in line 8, to strike out "or" and insert "for."

Mr. NORBECK. I move that the Senate concur in the House amendment. It is merely to correct an error in printing.

The motion was agreed to.

HOUSE BILL REFERRED

The bill (H. R. 12348) to create a Federal cooperative marketing board, to provide for the registration of cooperative marketing, clearing house, and terminal market organizations, and for other purposes, was read twice by its title and referred to the Committee on Agriculture and Forestry.

INTERIOR DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT

Mr. SMOOT. I ask the Senator from Pennsylvania [Mr. PEPPER], having the unfinished business in charge, to temporarily lay the unfinished business aside so that we may take up the conference report on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10020) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1926, and for other purposes.

Mr. PEPPER. Mr. President, may I have from the Senator from Utah a little statement of what he regards as the urgency of this matter? I want to be accommodating and keep a certain perspective on what we do; but I would like to hear from the Senator as to the reason for his request.

Mr. SMOOT. Mr. President, if this conference report shall be agreed to by the Senate it will have to go back to the House on three items of legislation which the Senate put upon the bill. It has been held up in conference now for a week. We have now but four days and a half remaining at this session for actual work, and unless we get this bill to conference again so that it can go back and be acted upon by the House—and I do not think there will be any trouble with the three items that will have to go back to the House under the rules of the House—it seems to me it will be impossible to pass the bill before the 4th of March; and if that is the case, of course—

The PRESIDING OFFICER. The Senator from Utah asks unanimous consent to take up the conference report immediately. Is there objection?

Mr. JONES of Washington. I want to ask the Senator from Utah whether there are any other items in disagreement besides the three legislative items to which he has referred?

Mr. SMOOT. There are two items in disagreement which, of course, will be the matters to be discussed when we take up the conference report. One item has reference to the Sun River project in Montana and the other to the Yakima project in Washington.

Mr. JONES of Washington. The Senator misunderstands me. I am not asking him what was agreed to. I am asking the Senator what has been disagreed to and what will have to go back to the House.

Mr. SMOOT. Three items that must go back to the House are the Spanish Springs project of Nevada—

Mr. JONES of Washington. That is not legislation, is it?

Mr. SMOOT. Yes. We put it on in the Senate. The House had no mention of the Spanish Springs project.

Mr. JONES of Washington. It is simply a project. It is not legislation.

Mr. SMOOT. The House conferees hold that it has to go back to be voted on.

Mr. JONES of Washington. They disagreed with the Senate conferees upon it?

Mr. SMOOT. No; they only disagreed in that Mr. Cramton said it was necessary to take it back to the House to be voted on by the House.

Mr. JONES of Washington. Is it the understanding of the conferees that the House conferees are going to recommend to the House the adoption of the Spanish Springs item as it is?

Mr. SMOOT. That I can not tell.

Mr. JONES of Washington. The Senator knows in connection with appropriation bills that if there is a legislative matter at issue and the House conferees are favorable to it, but they feel that under their rules they must take it back to the House, they take it back with the idea of recommending its acceptance to the House.

Mr. SMOOT. Or its rejection.

Mr. JONES of Washington. It is either disagreed to or they take it back with the idea that they will recommend its adoption.

Mr. SMOOT. In the report it is not disagreed to. It is to go back to the House for a separate vote, and they claim under their rules that they have to pursue that course.

Mr. JONES of Washington. According to the conference report, it is disagreed to?

Mr. SMOOT. It is not agreed to in this conference report.

Mr. JONES of Washington. I want to understand that situation before I give my consent to the request of the Senator from Utah. I understand that the item to which the Senator refers and another item, I think known as the Vale item, are not legislative items at all, but are simply provisions for appropriations for particular projects.

Mr. SMOOT. The House claims that that is legislation on an appropriation bill.

Mr. JONES of Washington. Is that the reason why they ask that those items shall go back?

Mr. SMOOT. That is exactly the reason they gave.

Mr. JONES of Washington. In other words, they are going to recommend to the House the acceptance of that item?

Mr. SMOOT. That question never came up. They simply said they had to take it back to the House under the rules of the House.

Mr. JONES of Washington. The Senator has been on enough conferences to know that in legislative matters the House conferees say, if they are favorable to it, that they can not agree to it, but that they will take it back to the House and recommend its adoption.

Mr. SMOOT. All I can say is that Mr. Cramton, the chairman of the conferees on the part of the House, said he did not think there would be any question about agreement to the other three items which I have already mentioned, but that they would have to go back to the House.

Mr. JONES of Washington. That makes it all the more important that the conference report should be defeated.

Mr. WALSH of Montana. Mr. President, I have not been able to understand the status of the matter. Will the Senator from Utah explain it again?

Mr. SMOOT. There are three items which the House conferees claim are legislation on an appropriation bill. The three items are the Spanish Springs project in Nevada, the Vale project in Oregon, and the Yakima project in Washington. The conferees on the part of the House claim that under the rules of the House those three items have to go back to the House for a separate vote, being legislation upon an appropriation bill. That is the rule and that is the practice. The other two items in dispute we have now to be agreed to in the conference report are the Sun River in Montana and the Kittitas project in Washington.

Mr. WALSH of Montana. I am very positive in the opinion that both of these items as reported embrace legislation of the most distinct character, and if there are some other items that are going back to the House because the House conferees have transcended their authority in putting legislation in the conference report, it would seem to me both of those items must necessarily go back.

Mr. SMOOT. But there is the difference. The two items to which I ask the Senate to agree are items upon which the House legislated, so they were in the bill. The Senate struck out the provisions, so that all that matter was in conference. But the three items that they said had to go back to the House were not in the House bill at all, but were put in the bill upon the floor of the Senate. That is the difference. That is the practice and that is the rule, I will say to the Senator.

There is not anything here about the projects I ask the Senate to agree to that was not in the bill as it passed the House. All the language that was put in the bill in the House was therefore in conference. But the three items that had

to go back to the House for a separate vote of the House are projects that were put in the bill on the floor of the Senate.

Mr. WALSH of Montana. May I then suggest to the Senator from Utah—and I invite the attention of the Senator from Washington to the suggestion—that it would seem to me as though the logical course would be to send the conference report back to the House and await their action upon the other items, because if perchance the action of the House with respect to these items would be adverse to the views of Senators interested in those subjects or items we might care to unite our forces against the adoption of the report at all. I would remark that if the only items now in dispute are the Washington and Montana items, I would myself be indisposed to resort to anything in the nature of filibuster against the bill, but if there is a serious disagreement about three other items, as between the House and the Senate, I would act in the way that I have suggested under the most powerful constraint, and if there are other objections to the bill I could not now give consent to the adoption of the report.

Mr. SMOOT. With reference to the three items that must go back, all I can say is that Mr. Cramton said he did not think there would be any trouble whatever in agreeing to them. The only two items that are in disagreement I have stated, and I am going to ask the Senate now to agree to the conference report and agree to the compromise made between the conferees of the House and Senate upon those two items.

Mr. JONES of Washington. May I suggest to the Senator from Montana that if that suggestion is carried out we are out.

Mr. SMOOT. Out how?

Mr. JONES of Washington. Those two items are not in disagreement between the conferees. The Senator from Utah brings in a report agreeing on all the items, and if we adopt the report those two items are passed.

Mr. SMOOT. That is true.

Mr. JONES of Washington. And if the House refuses to recede from the items the bill is through.

Mr. SMOOT. Mr. President, this conference report was presented to the Senate and agreed to by the Senate. The following day the Senator from Montana brought up the question of an amendment upon the Sun River project, claiming that there was language there that he did not want to agree to, nor did he think that western Senators ought to have that language in the bill to make a precedent hereafter. A motion was entered that the conference report be returned to the Senate. It was returned to the Senate. I asked the Senate to disagree to it, and the bill went back to conference. It has been in conference now for some days, and I want to say to the Senator from Montana and to the Senate that I have done everything in my power to reach an agreement, holding meeting after meeting. The House members of the conference will not yield, and that was the ultimatum given to the Senate conferees.

Mr. DILL. When will the House vote on those items?

Mr. SMOOT. They will have to vote right away if the conference is agreed to. It will go right to the House, and they will vote on the three items.

Mr. DILL. Is there any reason why they could not vote on the items first?

Mr. SMOOT. The Senate has the papers. We have to act first before it can go to the House. It can not go to the House, or else I would have asked them to act upon it first. The papers are with the Senate, and the Senate has got to act upon the conference report before it goes back to the House.

Mr. DILL. If we disagree, then what?

Mr. SMOOT. Then the bill will fail. That is all; we will have no bill.

Mr. JONES of Washington. Mr. President—

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). Does the Senator from Utah yield to the Senator from Washington?

Mr. SMOOT. I will yield in just a moment. I have tried with all the power I have and have held out for weeks trying to get the House to yield upon those two items, and the House conferees will not yield. I am not going to take the responsibility for the defeat of this bill. I want the Senate to take that responsibility, because the Senate conferees are told by the conferees of the House that they will not yield on those items. I have held up the report just as long as I am going to, and I am not going to take the responsibility for its defeat.

Mr. WALSH of Montana. Suppose we do agree to these items. The bill will then go to the House. Suppose the House then rejects the conference report upon the ground that legislative matters are included in the conference report not considered by the House, and it refuses to indorse that legislation; then what?

Mr. SMOOT. If they do that, the bill will fail, and the responsibility will be with the House.

Mr. WALSH of Montana. Why would it fail? Would not the House send the bill back to conference?

Mr. SMOOT. It would; but what is the use of sending it back to conference if we will not agree to those two items? I know it is very easy to say "Take it back to conference"; but I say to the Senate now that I have taken it back and held it there as long as I can hold it there in safety. The ultimatum is given to your conferees that the House conferees are not going to yield on these two items. If the Senate wants to take the responsibility for defeating the bill, let it do so; but I am not going to take it as chairman of the conference committee.

Mr. WALSH of Montana. For the benefit of Senators who are attending the matter I would like to state the principle that is in controversy here. There are a large number of items in the bill making appropriations for western reclamation projects. Those items are in the usual form appropriating so much money for the operation, maintenance, and continuance of construction work. But in the case of a project in the State of Montana and a project in the State of Washington—

Mr. SMOOT. And in the State of Utah.

Mr. WALSH of Montana. No; I have not seen anything in Utah.

Mr. SMOOT. Oh, yes.

Mr. JONES of Washington. It does not go nearly so far in the State of Utah.

Mr. WALSH of Montana. Anyway, in the cases of those two projects it is provided that no part of the appropriation shall be utilized for the purpose of extending the project—that is, extending the work in accordance with the plans and project laid out—unless the State of Montana in the one case and the State of Washington in the other case shall pass a law providing that the settlers shall be selected, and that they shall be financed in their operations by the particular State within which the project is located. In other words, the proposition is now to be laid down that the work of reclamation is to be arrested unless the States will make appropriations for the purpose of financing the settlers on the project.

There are various objections to that plan. In the first place, it is the commencement of a departure in principle from the policy that has obtained in the Congress of the United States ever since the reclamation act was enacted in 1892, 33 years ago. It overturns a policy that for more than a quarter of a century has held here. This policy is to be imposed not upon a consideration and discussion of the question in either or both Houses of Congress but is a policy that comes to be declared through the report of a conference committee.

Mr. SMOOT. Oh, no. This was in the House bill, every word of it.

Mr. WALSH of Montana. It was in the House bill, but it was not the subject of a word of debate in the House.

Mr. SMOOT. I do not want the Senator to leave the Senate with a wrong impression that it was not in the House bill, because it was.

Mr. WALSH of Montana. It was not the subject of debate in the House, because it was perfectly well understood that the thing never could go through the Senate, and it did not go through the Senate. The Senate repudiated it and struck out its provisions, both with respect to the State of Montana and the State of Washington. However, there comes back here through the medium of a conference report, without a word of debate, I assert, in either House of Congress the announcement of an entirely new and to my mind a vicious policy.

That, however, is not the worst feature, Mr. President. In the second place, the States of Montana and Washington are to be burdened in this way, while appropriations are made for projects in every other State without the imposition of any such conditions at all.

So far as the State of Montana is concerned, so far as the present appropriation is concerned, it is a matter of no consequence to us, because it is not contemplated that any portion of this appropriation shall be utilized for the purpose of extending the irrigable area that is now covered by the canals. The money is to be utilized in the construction of a storage reservoir; so that, so far as the practical result is concerned, it makes no difference to my State; but we are here protesting against the promulgation of any such principle through a conference report, and I appeal to every Senator from the western section of the country to come to our support in this matter if he has at heart the preservation of the reclamation system upon which depends the future of the great West. We heard during the late presidential campaign a distinguished candidate

who declared that that was an unwise policy, because it brought western products into competition with the grain products of the Central West; but I am sure that that idea will have little, if any, countenance in this Chamber.

Let me show Senators how determined it is that this policy shall be pursued. I agreed that I should withdraw any objection whatever to the conference report if there was included in it a provision that this should not be regarded as the declaration of any policy which was to conclude Congress in the future with reference to such appropriations, but that proposition was declined; they would not listen to that proposition.

I also agreed to strike out every provision there and merely provide that no part of the appropriation should be utilized for the construction of canals extending the present system; that whether the State of Montana passed such a law or did not pass such a law we would not use a dollar of it for that purpose. That was not satisfactory. They want to include in the report a declaration of a principle to which they can appeal in the future against making any appropriations for these reclamation projects unless the States within which they are located shall undertake to finance the settlers upon them. That is the question that is before this body at this time.

Mr. SMOOT. Mr. President, I think the Senate ought to know exactly what has transpired in this case from beginning to end.

The Senator from Montana nor any other Senator in this body is any more interested in the welfare of reclamation for the Western States than am I. Having the appropriation bill in charge, I reported it to this body with amendments striking out everything that the House had put in in respect to this matter, with the single and solitary exception of the amount of the appropriation. If the Senators will read the report they will ascertain exactly what was stricken out and what we did not agree to.

One of the conditions that was proposed by the House was that hereafter there should be 4 per cent charged upon all advances made by the Government to reclamation projects. That was stricken out in every case. I was so careful, Mr. President, to keep in touch with all the Senators interested in these appropriations that I did not sign the report until I was assured that it was satisfactory to report.

Mr. JONES of Washington. Mr. President, the Senator from Utah certainly does not mean that?

Mr. SMOOT. I mean that exactly, I will say to the Senator from Washington, and for this reason—

Mr. JONES of Washington. The Senator does not mean that I stated that this report was satisfactory to me?

Mr. SMOOT. This is what happened, Mr. President, and I will let the Senate judge for itself.

Mr. JONES of Washington. I know that is not correct.

Mr. SMOOT. I will state what happened. I think we had at least a half dozen meetings between the conferees of the two Houses. The Senate conferees obtained every concession that they could obtain from the conferees on the part of the House. We had eliminated the provision relative to charging interest on reclamation projects and some other provisions which were in the bill as it passed the House. I was in close touch with every Senator and told him from day to day just what had happened. I brought the Montana item to the attention of the Senator from Montana [Mr. WALSH]. Representative Cramton said that he had taken the matter up with other Members of the House; and the Senator from Montana will remember that after we went into the conference and before I brought the report in he told me that whatever the Members of the House from Montana would agree to would be satisfactory to him following a conference with them. Mr. Cramton, on the part of the House, in the very next meeting of the conferees brought the provision that is in the report to the conferees. I asked him if the House Members from Montana had agreed to it, and he replied "Yes." So careful was I, Mr. President, that I did not agree to that at that conference, but I came to the Senator and took the bill with the item in it just as agreed to, and I asked the Senator if that was satisfactory. I do not think the Senator read it carefully, but he told me that it was satisfactory if the House Members had agreed upon it, and I then went back and agreed to that provision.

Mr. President, as to the Washington item, the president of the Water Users' Association or a representative of that association from Washington came here. I have the item that he asked me to put in the bill with the changes that he wanted to make. We put it into the bill, and that is what I am asking the Senate now to approve of just as he gave it to the conferees.

Mr. JONES of Washington. Mr. President, that was not what the Senator from Utah said a moment ago. The Senator from Utah said that I had approved this provision.

Mr. SMOOT. Now, Mr. President—

Mr. JONES of Washington. I did not know what the president of the Water Users' Association had submitted to the Senator from Utah, but the president of the Water Users' Association does not act on the floor of the Senate. He does not represent the State of Washington.

Mr. SMOOT. Did the Senator from Washington have the president of the Water Users' Association come here with reference to this item?

Mr. JONES of Washington. I did not.

Mr. SMOOT. Did the Senator know that he was here?

Mr. JONES of Washington. I did not.

Mr. SMOOT. He was here, I understand, and this is what he agreed to.

Mr. JONES of Washington. But that does not bind me on this floor.

Mr. SMOOT. No; and I am not asking any action to bind anybody.

Mr. JONES of Washington. I should like also to see the statement of the president of the Water Users' Association. I have what purports to be a copy of it, and there is nothing of that sort in it.

Mr. WALSH of Montana and Mr. DILL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Utah yield; and if so, to whom?

Mr. SMOOT. I yield first to the Senator from Montana [Mr. WALSH].

Mr. WALSH of Montana. Mr. President, I should not like to have anyone understand that anything I have said here was in the slightest degree a criticism of the Senator from Utah. I am perfectly satisfied that he believes, as I do, that this is a vicious provision which it is attempted now to enact into law; that it is in violation of a settled policy of the Government, and that he has done everything that he could do to secure the elimination of it. I should not like to have anybody believe that anything I have said was said in the way of criticism of the Senator from Utah. I feel under deep obligations to him for his loyalty to us in this matter.

I want, however, to say with reference to the conversations had with the Senator from Utah concerning this matter that the Senator brought to me a copy of the bill with a penciled memorandum on the margin of it indicating what could be agreed to, and I agreed that that pencil memorandum would be satisfactory to me. However, it did not contain any such provision as this of which I complain. That is the situation with respect to that. But that is neither here nor there—

Mr. SMOOT. Mr. President, I do not want to be put in that position. Here [exhibiting] is the bill which I handed to the Senator, just exactly as it was then. Here [indicating] is the pencil memorandum on the side, and here [indicating] are the words crossed out of the bill, showing just what was to go out of the bill and just what was not to go out. That is the absolute fact in the case.

Mr. WALSH of Montana. That is neither here nor there. Now, I should like to ask the Senator if he will frankly state to the Senate what he thinks of the policy evidenced by this proposed legislation which we are now asked to enact, and to explain if it is a wise policy, if it is a sound policy, why it does not apply to the State of Idaho, for instance; why it does not apply to the appropriations for the State of Oregon, for instance; why it does not apply to the appropriations for the State of Arizona, for instance? Why is it applied to these two projects in the State of Montana and the State of Washington and to no others?

Mr. SMOOT. Mr. President, I am afraid the Senator will have to ask the House for an answer to that question. The House put in the provision with reference to these two projects, and no others. So there was no such item in conference as to the other appropriations. If such provisions had been put in the House with respect to other items, of course, they would have all been in the same position.

In further answer to the Senator, I will say that, if we agree to this conference report, I want it to be understood by the Senate and by the House and by the country that it is not to be considered as a precedent in the future.

As to the Washington project this is only carrying out the law that was passed in Washington.

Mr. JONES of Washington. I do not agree with the Senator in that respect, although that is a matter of construction, of course.

Mr. SMOOT. Then, let us see what the provision really is.

Mr. JONES of Washington. I know that argument can be made, of course.

Mr. SMOOT. It refers to laws passed in the State of Washington, and if Washington has not passed any such laws, then, of course, the provision does not apply.

Mr. DILL. Mr. President, the Senator a moment ago, in his colloquy with the Senator from Montana, remarked that similar language was applied to Utah.

Mr. SMOOT. No; I did not say that. I said there was additional language applied to Utah.

Mr. DILL. Would the Senator from Utah be willing, then, that this language which applies to a project in Montana and to a project in Washington should be applied to the project in Utah?

Mr. SMOOT. I do not agree that the language found in the House provision should be applied anywhere. I want the Senators to understand that.

Mr. DILL. The Senator would not agree, then, that it should be applied to Utah?

Mr. SMOOT. Not only would I not agree to that, but under the circumstances I could not agree to it, of course, because there was no such question in conference; and if it had been included in the conference report a point of order, of course, would lie against it immediately.

Mr. BORAH and Mr. JONES of Washington addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Utah yield; and if so, to whom?

Mr. SMOOT. I yield to either Senator.

Mr. BORAH. Is this matter before the Senate or is there merely pending a request to have it considered?

The PRESIDING OFFICER. The Chair should like to make an inquiry. Has unanimous consent been requested for the temporary laying aside of the unfinished business?

Mr. SMOOT. I made that request, Mr. President.

The PRESIDING OFFICER. And was it granted?

Mr. JONES of Washington. It has not been granted.

Mr. SMOOT. I do not know whether it was granted or not.

The PRESIDING OFFICER. Is there objection?

Mr. JONES of Washington. Mr. President, just a moment, please. This discussion has been going on by unanimous consent, and there have been one or two statements made by the Senator from Utah to which I wish to refer for just a moment before the request is put. In the first place, I want to ask the Senator from Utah whether he understands that this provision with reference to the Washington project goes any further than to require a compliance with the present State laws?

Mr. SMOOT. It goes further, because there are other matters in it.

Mr. JONES of Washington. I mean with reference to compliance with the statutes of the State?

Mr. SMOOT. Only so far as it says here that it does; but there is other matter in this bill that does not refer to the laws of the State of Washington.

Mr. JONES of Washington. Is there anything in this provision which requires the State to pass additional laws?

Mr. SMOOT. I do not know. I do not know what the laws of Washington are.

Mr. JONES of Washington. That is what I thought. Here is the language of this provision. After referring to the laws of the State, it says "or additional enactments, if necessary."

In order to comply with the conditions that the House imposed upon us, they require us to pass additional legislation.

Mr. SMOOT. Providing it is necessary to comply with the provisions.

Mr. JONES of Washington. Certainly.

Mr. SMOOT. Well, what is necessary?

Mr. JONES of Washington. There are lots of things here that we will have to have additional laws passed in order to comply with.

I intended to say, however, when I got the floor, that I have no complaint to make as to the action of the Senator from Utah in connection with this conference report. I was a little surprised at the suggestion he made a moment ago that I had approved it before he brought it in; but on examining his statement it will be seen that he did not mean just that. I did intend to say, however, that there can be no complaint upon the part of any of us with reference to the action of the Senator from Utah. The Senator from Utah has held out for a long time, and he has counseled with us and advised with us. I have no complaint to make with reference to his action in the matter, and I intended to discuss this proposition entirely independent of his bringing the report in here. The only fault

I would have to find would be with the suggestion he made a moment ago, which implied that I am going back upon an agreement or understanding, or something of that sort. The Senator will not claim that, I am sure, because I advised him very definitely that I could not consent to this provision with reference to requiring the State of Washington to pass legislation, and so forth. I want to reiterate, however, that the Senator from Utah has acted in a square, honorable, and very patient way in connection with this matter. I think he has done what he thought was about the only thing to do in bringing this report in here.

Now, if the request for unanimous consent is going to be submitted, I want to ask the Senator from Pennsylvania how long he thinks it will take to pass his bill.

Mr. PEPPER. Mr. President, I have not any idea, because I do not know how far the debate which has already taken place has given sufficient opportunity to Senators to express their views about the measure. I think myself that all the questions vital to the bill have been debated, and that there is no reason why we should not take up the committee amendments and the few individual amendments of which we have been notified and dispose of them in a couple of hours.

Mr. JONES of Washington. It seems to me, then, that the Senator from Utah would better wait for a little while and see if that can not be done. I think that would be much the better way to do it; and I am going to ask if the Senator will not withdraw his unanimous-consent request in order to see if the bill can be passed in a short time?

Mr. SMOOT. I will withdraw it, Mr. President; and I give notice that at 5 o'clock, if the banking bill is not through, I shall move to take up the conference report.

The PRESIDING OFFICER (Mr. Fess in the chair). The Senator from Utah withdraws his unanimous-consent request for the consideration of the conference report.

CONSERVATION, PRODUCTION, AND EXPLOITATION OF HELIUM GAS— CONFERENCE REPORT

Mr. WADSWORTH. Mr. President, may I address a question to the Senator from Pennsylvania? Would the Senator object if I asked permission to have laid before the Senate the conference report on the so-called helium bill, with the understanding that if it leads to debate I will withdraw it? It has been delayed a whole week.

Mr. PEPPER. I am glad to yield for that purpose, Mr. President.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

Mr. WALSH of Massachusetts. Mr. President, I should like to make a statement upon the conference report, not longer than three or five minutes. I want that understood. I am not going to oppose the conference report, but I am going to make a statement with reference to it.

Mr. PEPPER. If it is not impertinent to inquire, I should like to have some little estimate of how long the debate is likely to take.

Mr. WALSH of Massachusetts. I should like to speak for about five minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

Mr. PEPPER. I have no objection.

The PRESIDING OFFICER. The Chair hears none.

The Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5722) authorizing the conservation, production, and exploitation of helium gas, a mineral resource pertaining to the national defense and to the development of commercial aeronautics, and for other purposes.

Mr. WALSH of Massachusetts. Mr. President, I realize that it is futile to attempt to defeat this measure at this stage of the proceedings. I do feel, however, that I ought to record my opposition to certain features of this bill.

It is a most important one. In my opinion, it ought to have been given hearings and ought to have been more fully considered than it has been. However, the bill contains provisions of merit. It seeks to conserve for our national defense helium, which has become a very useful and a very valuable gas, almost indispensable for the inflation of lighter-than-air craft in aviation.

At the present time a joint commission of Army and Naval officers supervise the production of all the helium that is necessary for the airships of our Army and Navy. This bill takes away from the Army and Navy the production of helium, and gives it to the Bureau of Mines of the Department of the Interior. It seems to me that the only interest the Government

has in helium is as an adjunct to its defense as a war measure. It is proposed that the Army and Navy shall no longer produce it, but that the Bureau of Mines shall produce it and sell it to the Army and Navy. In my opinion, you might just as well ask the Department of the Interior to produce battle-ships and sell them to the Navy, or produce poison gases, fire-arms, and other munitions and sell them to the Army as to ask them to produce helium. We have not any right to be producing helium gas except as a means of supplying our Army and Navy with the gas which is necessary for our aircraft. I consider it is a very great mistake to go now to a third department to undertake the production of helium and sell it upon order to the Army and the Navy. It means more cost. It means that we are now to have an intermediary producing this gas.

Helium already is being produced most satisfactorily at a plant in Texas by an organized force under the Navy Department. The cost of helium has been reduced from about \$496 per 1,000 cubic feet to \$50 per 1,000 cubic feet at present. The Navy operates the plant. Naval officers superintend it. Now, the Navy is to be put out of this undertaking, and the Bureau of Mines, which never yet has been engaged in the production of helium, is to become the producer, sell it to the Army and Navy, and sell it to private individuals. Those who shudder at the thought of Government ownership had better take notice that in this bill under certain conditions the Department of the Interior, through the Bureau of Mines, can be selling helium to private individuals.

Mr. ASHURST. Mr. President, it seems to me that our experience in transferring oil comes from the Navy to the Interior Department ought to be a warning to us against transferring any more of the essentials of our fleet and craft to the Interior Department.

Mr. WALSH of Massachusetts. That is one of the motives that I have had in opposing this measure. I think it is a great mistake to take the production of helium away from either the Army or the Navy. I think it ought to be where it is now—under a joint Army and Navy commission, but actually operated by naval officers, who have been most successful in handling it. I am opposed to an intermediary.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I yield; yes.

Mr. SMOOT. I want to call the Senator's attention to the fact that no helium has really been discovered by itself. It comes in gas. The greatest helium-producing well in the United States to-day, and perhaps in the world, is located on ground which had been leased by the Secretary of the Interior for the development of oil. They had no idea in the world that they would ever strike helium; but just as soon as they drilled the well they did not strike oil, but they struck helium. That was on public land. The contract has been made by the Secretary of the Interior, and the only thing that saved that helium to the Government of the United States was because the act of February 25, 1920, known as the leasing act, specifically prohibited the leasing of helium land. That is how the Government comes to own it.

Mr. WALSH of Massachusetts. The helium that we are producing now is not from Government-owned natural gas. The Government makes a contract with the private producers of certain natural gas that contains helium, sets up a plant and extracts helium from it, and pays the private natural gas company for the amount of helium that it extracts. Is not that true?

Mr. SMOOT. Yes; as to some privately owned gas wells.

Mr. WALSH of Massachusetts. As to the plant which the Navy now is running successfully and satisfactorily, it is doing business with a private natural gas company, from whose product it extracts helium.

Mr. SMOOT. I know what I am talking about in this case.

Mr. WALSH of Massachusetts. The Senator is talking about some helium gas that is available on public lands for use some time in the future.

Mr. President, to go back to the beginning of the present production plant, the Bureau of Yards and Docks of the Navy Department assumed charge of the construction activities in the early part of 1919 and proceeded with the construction of the present production plant. The Linde Air Products Co. was awarded the contract for the fabrication of that part of the equipment that has to do with the separation of the helium from the natural gas; this company was, however, under the jurisdiction of the Bureau of Yards and Docks. The plant was completed in December, 1920, and tuning up the equipment began immediately. Actual production began in April, 1921. The total cost of putting the plant in operation was \$3,570,083.82. This includes all building, equipment, purchasing of

pipe lines, and laying it from Petrolia, Tex., to Fort Worth, Tex., approximately 96 miles.

In addition to installing the plant and appurtenances, the Navy has operated it since the first wheel turned over, and all the developments and modifications which have resulted in refining the process has largely been due to the initiative of the Navy's officer and civilian personnel. The Linde Air Products Co., who operate the separation equipment under Navy contract on account of their trade secrets involved, are also responsible for some developments. The Bureau of Mines has had absolutely nothing to do with the operation and developments to date and have not been connected therewith either directly or indirectly.

The Navy Department maintains at the production plant three officers and one chief petty officer. An officer in charge, who at present is one of the best-engineers in the naval organization, one engineer officer, one disbursing officer, and a chief pharmacist mate. In addition the Navy maintains an administrative office in the Bureau of Aeronautics. Both of these organizations are maintained at the Navy's expense.

The helium project is in general a joint Army-Navy activity and funds are appropriated each year by Congress in like shares to both departments. The Army transfers funds as required to the Navy for the operation of the plant. The helium produced is ordered under Navy shipment orders to the various Army and Navy stations as required. Up to the present time the Navy demand has been twice that of the Army. Consequently it has been necessary for the Army to lend the Navy helium. This condition has been the cause of a great deal of controversy and has resulted in a jealous disposition on the Army's part, primarily because no adjustment has been reached whereby the Army will be reimbursed for the amount of gas lent the Navy. The real seat of jealousy lies in the fact that the Navy is the operating agent and thus enjoys the prestige resulting from administering a million-dollar project.

Results obtained by the Navy are not only indicative of the efficient manner in which the project is being handled but also indicates that an operating organization of the magnitude of the Navy Department, which purchases its material and equipment under big contracts, can administer the needs of an activity such as the helium production is at a less cost than another organization which is obliged to purchase through its individual branches.

The cost has been brought down from \$497.54 to \$50 per 1,000 cubic feet of helium produced. The only reason why the cost has not been reduced further is on account of the failure of the natural-gas supply. It is estimated that the cost for February will be between \$40 and \$45 per 1,000 cubic feet. If there was available an adequate supply of helium-bearing natural gas, it would be possible to reduce the cost to \$20 per 1,000 cubic feet.

Mr. WALSH of Montana. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Montana?

Mr. WALSH of Massachusetts. I yield to the Senator from Montana.

Mr. WALSH of Montana. I want to inquire of the Senator who handles this work for either the Army or the Navy, or both, and what kind of training has an Army or a Naval officer which enables him successfully to carry on a business of this kind?

Mr. WALSH of Massachusetts. Three naval officers, some civilian employees, and natural-gas experts, handle this project. The plant in Texas employs about 125 people, who are engaged in producing helium under the direction of these naval officers.

Mr. WALSH of Montana. I have followed the discussion with some interest, and it would seem to me that the capacity to locate deposits and to extract the helium from the natural gas when it is discovered requires technical training, such as the Bureau of Mines is supposed to have.

Mr. WALSH of Massachusetts. I think the Senator is right about the discovery of helium, but the actual production, the actual operation of a plant to extract helium from the natural gas is not, in my opinion, a function of the Bureau of Mines.

Mr. WALSH of Montana. Even as to the extraction, the Bureau of Mines is obliged, as a matter of course, to acquaint itself with all economic methods of making available for commercial and other uses natural mineral products. For instance, they ought to know all about the method of hoisting ore to the surface of the ground, they ought to know all about the method of sinking a shaft, the method of timbering, and then, after they get it out, all the metallurgical processes, and that kind of thing. It seems to me they ought to be familiar with the processes of production, as well as of mining. I was wondering whether the officers of the Army or the Navy have the technical knowledge that is required.

Mr. WALSH of Massachusetts. They have been doing it so well that within a very brief period of time they have reduced the cost of the production of helium from \$496 per thousand cubic feet to \$50, and the cost is still further being reduced. The Navy has high-class engineers fully capable, as results show, to do this work. This bill is to end it, and a new department, which has not heretofore been engaged in this business, is to take it over and sell helium to the Army and the Navy.

Mr. FLETCHER. The report does provide for the cooperation of the Army and the Navy in the producing of helium. Cooperation is provided for.

Mr. WALSH of Massachusetts. It provides, of course, that they must, upon order, be furnished helium by the Bureau of Mines, but the actual operating is to be done by the Bureau of Mines. They are to have supervision and control.

As I said in the beginning, I know it is useless to attempt to change this bill at this stage. I am in full accord with everything in the bill except the transferring of the production of helium from the Army and Navy to the Bureau of Mines. The purposes of the bill and the object sought to be attained are excellent and meets with my heartiest approval; but I regret to see this change made, because I think we make a great mistake in providing for this departure from present methods. In my opinion it will increase the cost to the Government and cause overlapping of activities.

I think helium ought to be produced by the Army and the Navy, just as other munitions of war are produced by these departments. The poisonous gases used by the Army are not produced by the Bureau of Mines. Why destroy the present organization for a new and untried one? That is all I have to say.

Mr. KING. Mr. President, I approve of some measure to conserve helium gas for the use of the Army and the Navy, but there are features of the pending bill which do not commend themselves to my judgment. The pending bill, in my opinion, confers entirely too much power upon the Secretary of the Interior and the Bureau of Mines. There have been too many examples of the improper exercise of authority by departments and Federal bureaus to warrant the conference of the almost unlimited authority upon a department and a bureau contained in the provisions of the measure before us.

The Secretary of the Interior is authorized to acquire land or interest in land, by purchase, lease, or condemnation, where necessary—and, of course, the Secretary or those who advise him are the sole judges of what is necessary—when helium can not be purchased from private parties at less than cost. The power is also conferred upon the Secretary of the Interior to explore for, procure, or conserve helium-bearing gas, to drill or otherwise test lands, and to construct plants, pipe lines, facilities, and accessories for the production, storage, and repurification of helium.

I submit there are no proper restrictions contained in the bill. Any lands may be purchased or leased or condemned that the Interior Department may determine necessary. Of course, the Secretary of the Interior can not examine into these matters himself, and the authority will have to be devolved upon the Bureau of Mines and its numerous employees. I might say in passing that the Bureau of Mines started out in a modest way but a few years ago and is now an enormous Federal agency having a large number of employees and costing the Government approximately \$2,000,000 annually. Its expansion has been remarkable, and much of its expansion has been the result of the increasing demands for authority and power of groups or organizations or agencies within the bureau itself.

But to return. There is no limitation upon the amount which is to be paid for land which may be acquired or condemned. Nor is there any limitation as to the amount which may be expended in exploring, procuring, or conserving helium-bearing gas. Authority is given to drill and test lands, but no limitation is placed upon the amount to be expended for such purposes. And the bill authorizes the construction of plants, pipe lines, facilities, and so forth, for the production and storage of helium, but no limitations are fixed, nor are there any provisions as to where the plants shall be located nor the number of plants nor their dimensions.

Mr. President, I submit the authority thus granted is too great and too unrestricted. But the bill goes further. Any known helium-gas bearing lands on the public domain may be reserved and withdrawn from entry. And authority is given to the Secretary of the Interior to extract helium from all lands which are leased or otherwise granted for development. The Bureau of Mines, under the direction of the Secretary of the Interior, is authorized to maintain and operate helium reproduction and repurification plants, together with facilities and

accessories thereto, and to conduct exploration for the production of helium from the lands acquired as set aside by the provisions of the bill. It is also authorized to conduct experimentation and research for the purpose of discovering helium and improving the processes and methods of helium production, storage, and utilization. If any surplus helium is produced—that is, a quantity in excess of that needed by the Government—it may be leased to private persons. The bill also authorizes the treatment of gas from which helium may be extracted and the sale of all by-products.

It will be perceived, Mr. President, that the bill contains unusual provisions and confers very great powers upon the Secretary of the Interior and the Bureau of Mines. In my opinion, the bill is not carefully enough drawn, nor does it contain such reasonable and proper restrictions and limitations as the situation calls for. The information which we now have indicates that because of its noncombustible character, as well as its lightness, helium is of great importance in the construction of dirigible craft. I am in favor of legislation that will conserve this gas for all proper purposes, but I am not convinced that it is wise to confer the vast powers upon the Interior Department and the Bureau of Mines that are enumerated in the pending measure.

The PRESIDENT pro tempore. The question is upon agreeing to the conference report.

The report was agreed to.

POSTAL SALARIES AND POSTAL RATES—CONFERENCE REPORT

Mr. MOSES. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11444) reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes.

The PRESIDENT pro tempore. Is there objection?

Mr. PEPPER. Mr. President, I think I have the floor. I yielded to the Senator from New York.

The PRESIDENT pro tempore. The Chair did not understand the Senator from Pennsylvania had the floor.

Mr. PEPPER. I may have misunderstood the situation. I yielded to the Senator from New York [Mr. WADSWORTH] in order that he might present a conference report and get a vote on it.

Mr. MOSES. May I say to the Senator from Pennsylvania that my understanding was that the bill which the Senator has in charge had been laid aside, with notice that at not later than 5 o'clock its consideration would be resumed.

Mr. PEPPER. On the contrary, precisely the opposite was the case. The Senator from Utah [Mr. SMOOT] withdrew his request for unanimous consent, with notice that at 5 o'clock he would move to take up the conference report on the Interior Department appropriation bill, the understanding being that in the interval the Senate should proceed with the consideration of House bill 8887. If the Senator asks me to yield in order that he may present the report of the conferees on the postal pay bill, I will be glad to do so.

Mr. MOSES. Mr. President—

Mr. HEFLIN. It will take but a few minutes to consider this report.

Mr. MOSES. The report has been presented and was printed in the Record of Tuesday's proceedings of the Senate. The report has been offered in the House, together with the statements of the managers, and the House has acted upon it. The simple question before the Senate is to accept or reject the conference report.

The PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

Mr. SMOOT. I have no objection, with the understanding that if it shall lead to discussion, it be withdrawn at 5 o'clock.

Mr. MOSES. I will undertake between now and 5 o'clock, if we can not dispose of it, to make some arrangement with the Senator.

Mr. HEFLIN. I do not think it will take long to finish the consideration of the report. I do not believe it will take five minutes.

Mr. SMOOT. If it runs until 5 o'clock, I want the Senator to lay it aside, so that we can go on with the conference report on the Interior Department appropriation bill.

Mr. MOSES. I will agree to that, if I am not able by that time to reach some understanding.

The PRESIDENT pro tempore. Is there objection to the consideration of the report? The Chair hears none, and the question is upon agreeing to the conference report.

Mr. McKELLAR. Mr. President, I want to make a brief statement about the conference report on the postal bill before

it is agreed to. I expect to vote for the report. However, I desire to say that I dissented from the majority on one subject alone, and that is the 2-cent service charge on parcel post. The Senate had twice voted against the proposition which was finally incorporated in its report. The conferees agreed to a service charge of 1 cent on parcel post, and afterwards it was ascertained that the President wanted it fixed at 2 cents, and the committee changed its determination and fixed a rate of 2 cents on parcel post in their report.

I do not agree with that. I think the burden of having put it there ought to remain on the shoulders that have assumed it. The President has assumed to assert his prerogative and right to have it put in the report, and I think he should take the burden of it or take the credit of it. I am making this statement to let the Senate and the country know how it happens that we have a 2-cent service charge on parcel post.

I do not think there should have been any service charge on parcel post. I think the parcel post is doing a wonderful work in the country. We are not doing anything for the farmers of the United States, and to burden them with a service charge of 2 cents, amounting to perhaps \$18,000,000 of additional tax, is something we should not agree to.

As we all know, we have passed the postal salary increase bill twice, and came very near passing it over the veto of the President. I am very heartily in favor of the increases in the postal salaries, and notwithstanding the 2-cent service charge, I shall vote for this report, because it has in it the provision for increased salaries, and it has in it a very excellent corrupt practices act. For those reasons I am going to vote for the report, but I do not agree with the idea that we should have a 2-cent service charge on parcel post, and I give notice now that I shall offer an amendment to the first bill that comes over from the House providing for revenue matters seeking to do away with the service charge on parcel post.

Having said this much, I have nothing more to say.

Mr. FRAZIER. Mr. President, I am in favor of this bill because it provides for an increase in the postal workers' salaries, which they well deserve; but there are certain provisions to which I am very much opposed. With regard to the increases in postage rates, the increases do not come where they should come. The people who are best able to pay those increases are not the ones on whom the burden is put. The burden is put upon those who are least able to pay the increased revenues; that is, the farmers. Of course, it is argued that farmers are quite accustomed to paying the expenses of practically all the business interests of the country, either directly or indirectly, and a little additional burden does not amount to much. It is further argued that farmers do not complain, because they are not organized and are not in position to complain. Perhaps that is true.

I do feel, however, that the postal employees are entitled to these increases in their salaries, and for that reason I will support the report, although it does add an additional burden on the farmers. The increase on parcel post of a 2-cent service charge comes largely upon the farmers. The 25-cent special handling charge for parcel-post packages will make a slow freight of the balance of the parcel-post packages in my estimation. Then there is an increase on money orders, especially the low-rate money orders, and that falls upon the farmers, because they are the ones who use the lower amount money orders. There is an increase on registered letters, and that will hit the farmers harder than anyone else. The increase in insurance on parcel-post packages will hit the farmers more than anyone else. But in spite of all that I believe the farmers of this country are willing and anxious to see the postal employees, who serve them and serve the other people of the Nation, given a square and honest living wage, and I believe they are willing to accept this additional burden in order that the boys shall get their increased salaries.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The principal legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Copeland	Ferris	Harrison
Ball	Couzens	Fess	Hefflin
Bingham	Cummins	Fletcher	Howell
Brookhart	Curtis	Frazier	Johnson, Calif.
Broussard	Dale	George	Johnson, Minn.
Bruce	Dial	Gerry	Jones, N. Mex.
Bursum	Dill	Glass	Jones, Wash.
Butler	Edge	Gooding	Kendrick
Cameron	Edwards	Hale	Keyes
Capper	Ernst	Harrell	King
Caraway	Fernald	Harris	Ladd

Lenroot
McKellar
McNary
Mayfield
Metcalf
Moses
Neely
Norbeck
Oddie

Overman
Pepper
Phipps
Pittman
Ralston
Stanfield
Reed, Mo.
Reed, Pa.
Robinson

Sheppard
Shortridge
Simmons
Smith
Smoot
Stanfield
Sterling
Swanson
Trammell

Underwood
Wadsworth
Walsh, Mass.
Walsh, Mont.
Warren
Watson
Weller
Wheeler
Willis

Mr. LADD. I desire to announce that the Senator from Minnesota [Mr. SHIPSTEAD] is detained on a conference committee.

The PRESIDENT pro tempore. Eighty Senators have answered to the roll call. There is a quorum present. The question is on agreeing to the conference report.

Mr. HARRISON. Mr. President, I would like to present a unanimous-consent request while the Senator from Louisiana [Mr. RANDELL] is present. I recently entered a motion to reconsider Senate bill 4130. It passed while I was temporarily out of the Chamber, and I entered a motion to reconsider the other day. I would like to call up that motion by unanimous consent and have reconsidered the vote by which the bill was passed. It is purely a local matter.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Mississippi?

Mr. EDGE. Let the bill be stated.

The PRESIDENT pro tempore. The Senator from Mississippi has entered a motion to reconsider the vote by which Senate bill 4130 was passed and asks now unanimous consent for the consideration of that motion at this time.

Mr. SMITH. What is the bill?

Mr. HARRISON. The bill is one that affects Louisiana and Mississippi in the matter of flood waters.

The PRESIDENT pro tempore. It is the bill (S. 4130) authorizing an investigation, examination, and survey for the control of excess flood waters of the Mississippi River below Red River Landing in Louisiana and on the Atchafalaya outlet by the construction and maintenance of controlled and regulated spillway or spillways, and for other purposes.

Mr. JONES of Washington. Will this matter take any time?

Mr. HARRISON. I merely want to have reconsidered the vote by which the bill was passed. The bill will then go to the calendar to be taken up later.

Mr. RANDELL. I certainly object to reconsideration. I want the motion disposed of, however. I would like to have a vote on the motion to reconsider. The bill passed the House and then passed the Senate.

Mr. JONES of Washington. Will there be discussion of the motion to reconsider?

Mr. HARRISON. I was in hopes there would not be any discussion. It is a matter of a good deal of concern to a part of my State.

Mr. HEFLIN. Mr. President, my understanding is that the Senators from Louisiana want it to stand as it is now so far as Louisiana is concerned, and the Senators from Mississippi want the Mississippi portion of it stricken out. Is that correct?

The PRESIDENT pro tempore. The Chair is not advised in regard to the attitude of the Senators from Mississippi.

Mr. HARRISON. Mr. President, just let me make a brief explanation. I do not intend to detain the Senate on the proposition, although it is a matter of considerable importance to my State.

The Commerce Committee reported the bill favorably. The bill provides for a survey for a spillway to carry off the flood waters from the Mississippi River. The people in my section are afraid it will bring the waters over upon them, and they are opposed to it. The bill merely provides for a survey. It was reported out of the committee, and when the report was made unanimous consent was given for the immediate consideration of the bill. I knew nothing about it, being temporarily absent at the time. I think in fairness that it ought to be reconsidered, the bill placed on the calendar, and then upon its merits at the proper time we can discuss it.

Mr. MOSES. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from New Hampshire will state the inquiry.

Mr. MOSES. The Senator from Mississippi has preferred a request for unanimous consent?

The PRESIDENT pro tempore. He has.

Mr. MOSES. If the Senator will permit us to dispose of the conference report on the postal bill, which is before the Senate, I shall not be disposed as to that to interpose objection; but at the present stage, inasmuch as the Senator wishes to speak on the conference report on the postal bill, and I do not want to delay the Senate in hearing him, I shall have to object to his present request.

The PRESIDENT pro tempore. Objection is made. The question is on agreeing to the conference report on the postal salaries bill.

Mr. HARRISON. Mr. President, I desire to raise the point of order against the conference report. The other day, in a very elaborate discussion of the point of order on the Muscle Shoals proposition, various rulings and precedents were cited. This is a case not exactly in point, but that matter would have a bearing on this particular question.

The Chair will recall that in the Muscle Shoals proposition the House had accepted the Ford offer. The bill came to the Senate, but later Mr. Ford withdrew his offer. The Senate then adopted a substitute, known as the Underwood proposal, for the House bill. It was new matter, a wholly new proposition. The House having passed on one proposition and the Senate having passed on another proposition, the Chair held that the point of order was well taken, and the Senate by a vote of 45 to 41 sustained the Chair.

In the present case the House has passed a bill increasing the salaries of postal employees and attempting to raise revenue to meet that increase. The Senate committee struck out all of the House bill, leaving none of it, and brought in an entirely new bill. So we have the two propositions going to conference—the House bill and the Senate bill.

It is quite true there is some similarity between the bills, but the Senate Committee on Post Offices and Post Roads did the very unusual thing, quite different from the practice heretofore, of making certain amendments to the House bill and leaving the rates that were the same in the House bill and the Senate bill undisturbed. They thought it was a better plan to strike out everything in the House bill, leaving nothing, and incorporate an entirely new proposition. The new proposition, of course, was the bill which the Senate had passed before, after a good deal of discussion here, and which was rejected by the House because they said the Senate did not have any right to originate a bill providing for the raising of revenue. We got quite a spanking on that proposition—I think deservedly so. Some of us had tried to point out at the time we passed the first bill that we did not have any constitutional authority to pass it, and predicted that the House would do what it did do.

I have submitted the point of order. I am trying to carry out the practice that was established in the Muscle Shoals case by the ruling of the Chair, which was later upheld by the Senate, in order that we may get back to the old custom in the Senate, which was that when the House passes a bill, if the Senate is going to accept part of it and reject part of it, we will amend the bill and not bring in an entirely new proposition, different and distinct from the House bill.

That is one proposition. If that is not sufficient to enable the Chair to sustain my point of order, I want to raise another point of order. Of course, I have not any idea that the Chair would not sustain the point of order on the very ground that I have just stated, in view of the remarkable ruling of the Chair and the remarkable action of the Senate in the matter of the Muscle Shoals proposition.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. HARRISON. I would like to have the Senator let me present this very cogent legal argument I am making before he interrupts me.

Now, as to the other point of order: Some might say it is technical, but when we are doing things here in a legal way, that affect tens of thousands of postal employees, that affect farmers all over the country who are to be affected by these increased rates on parcel post, higher rates on insurance that they must obtain on their parcel post packages, and higher rates that they must pay for the money orders they buy in order to make purchases at a distance, it presents a situation of such importance that we are justified in raising technical objections. It will be seen from the conference report that—

This title shall take effect 30 days after its enactment and a period; and the Senate agree to the same.

The House of Representatives in the original bill, I think, fixed the date of the taking effect of the proposed legislation as 30 days after its enactment; the Senate fixed it on the passage of the legislation. One of the Houses provided that the law should go into effect, so far as the revenue was concerned, on the passage of the legislation; the other provided that it should not go into effect until 30 days after its passage. Now the conferees come in and provide that it shall not go into effect until 30 days after its enactment shall have elapsed and then another period. Whether the "period" is to be for a month or six months or for a year we can not tell from the conference report. The conferees leave the period indefinite. The conference report states it shall take effect "30 days after its enactment and a period."

So I submit if the Chair should overrule the point of order which I have made, and which I argued in the first part of my discourse, he can not overrule the point of order with respect to the time that the legislation shall take effect, because, while the conferees could have agreed that the legislation should take effect 30 days after its enactment, and that would have been in order; while they could have agreed that it should take effect on the passage of the legislation, which would have been in order; and while they could have agreed that it should take effect within 15 days after the enactment of the legislation, which would have been in order, they do the remarkable thing of going beyond the bounds and saying:

This title shall take effect 30 days after its enactment and a period.

And what is the period? I do not know what contention the Senator from New Hampshire [Mr. MOSES] may make as to that proposition, whether he may contend that they meant a period of time or a punctuation mark I do not know, but certainly in reading the report it provides:

This title shall take effect 30 days after its enactment and a period.

So I submit—

Mr. LENROOT rose.

Mr. HARRISON. If the Senator will wait until I shall have finished—

Mr. MOSES. Let the Senator from Mississippi finish.

Mr. LENROOT. Mr. President—

Mr. HARRISON. I will yield to the Senator.

Mr. LENROOT. Does the Senator read the words "and a period" as a part of the proposed law?

Mr. HARRISON. I think they are a part of the proposed law, so far as I see here.

Mr. MOSES. Oh, no, Mr. President.

Mr. LENROOT. Only the portion printed in italics is included in the terms of the bill as agreed upon.

Mr. HARRISON. I thought the Senator from New Hampshire would give some excuse for it, but I could not imagine what it might be. Perhaps it is a typographical error.

Mr. MOSES. Oh, no, it is not; but I shall wait until the Senator shall have concluded, and then I will deal with the matter.

Mr. HARRISON. The report reads:

This title shall take effect 30 days after its enactment and a period.

Mr. LENROOT. Oh, no.

Mr. HARRISON. The Senator says "Oh, no." But has the Senator the same pamphlet before him that I have?

Mr. LENROOT. The words contained in italics are the only ones which are a part of the proposed law.

Mr. HARRISON. Oh, the Senator says only the italics become a part of the proposed law? But I submit, Mr. President, that the conferees have gone greatly beyond their power in incorporating a wholly new proposition in conference; and I cite the ruling of the Chair the other day, which was sustained by the action of the Senate, and also this new proposition.

Mr. MOSES. Has the Senator concluded his statement of his point of order, Mr. President?

Mr. HARRISON. I will yield to the Senator and hear him.

Mr. MOSES. No; I wish the Senator from Mississippi to state his point of order.

Mr. HARRISON. I have stated my point of order.

Mr. MOSES. Mr. President, I am well aware that this question is one upon which debate may not be had, but I think it is entirely competent for me to say for the information of the Chair, of the Senate, and of the Senator from Mississippi, in particular, that there is absolutely no new matter in the conference report; that everything in the report has been considered by one or the other House.

As to the second point raised by the Senator from Mississippi, if he had not made it with that humorous expression on his face to which we are so well accustomed when he speaks, with his tongue in his cheek, I would not comment at all; but I think I must puncture his little joke, and say that it will be readily seen from page 24 of the printed conference report that the italic type includes all of the words contained in the report as agreed upon, and that then, in regular type, inasmuch as the punctuation also has to be put in a report the words "and a period" are inserted. In other words, the new clause to be inserted reads:

Sec. 319. This title shall take effect 30 days after its enactment.

The PRESIDENT pro tempore. The Chair thinks the Senator from Mississippi [Mr. HARRISON] has misunderstood the ruling of the Chair made with respect to the point of order

raised against the conference report on the Muscle Shoals bill. With that suggestion, the Chair overrules the point of order. The question is upon agreeing to the conference report.

Mr. HARRISON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HARRISON. The conference report may be discussed; it is debatable, is it not?

The PRESIDENT pro tempore. Undoubtedly.

Mr. NORBECK. Mr. President—

Mr. HARRISON. I yield to the Senator from South Dakota if he wishes to proceed.

Mr. NORBECK. Mr. President, I have listened with much interest to the argument on the conference report, and find it runs along the same line as heretofore. We have all received letters from people at home saying, "Vote for this bill, but do not put the expense on anybody; give the postal workers the increase for which they ask, but do not tax anybody." In fact, I am informed that the author of the original bill introduced two bills, one providing for an increase in postal expenditures amounting to about \$65,000,000 a year, and another bill providing for reducing the postal rates by some \$50,000,000 a year. Where is the money going to come from? The friends of the farmers here are all protesting against a burden of \$20,000,000 being placed upon the parcel post, but each one has concluded with the statement that he is going to vote for the conference report.

I agree with the Senator from North Dakota [Mr. FRAZIER] who stated that the burden of the measure will eventually fall upon the consumer, and mainly upon the farmer, because he has no way by which to pass on the cost. I should like to ask the Senator from North Dakota what in his judgment have been the earnings of the North Dakota farmers for the last four years?

Mr. FRAZIER. Mr. President, in reply to the Senator from South Dakota, I will say that the earnings of the North Dakota farmers for the past four years, yes, five years, have been in "red"; they have lost on their operations each year on practically every product which they have produced. Last fall there was probably a little profit made by the farmers, although they did not get the high price for wheat that prevails at the present time. Nearly every farmer there was forced to sell his wheat as quickly as it was threshed, and the price at that time was just a little over a dollar or around a dollar a bushel. They received a little better prices, and there was a fairly good crop, and more money was therefore brought into the State; but on the average for the past five years the farmers have gone behind a great deal so that many of them have lost all the equity in their land.

Mr. NORBECK. Does the Senator from North Dakota believe that 1 per cent of the farmers of North Dakota are getting as high a wage as it is proposed to pay the postal employees under the pending measure? Is there one out of a hundred who has been making that much during the last four or five years?

Mr. FRAZIER. No; I doubt very much whether there is.

Mr. NORBECK. What I protest against is the adding of an extra burden upon the man who, it is admitted, makes no profit in order to pay an increase to someone else who is already receiving more than the farmers. Of course, we everlastingly hear the argument as to a living wage; we hear now that for Senators and Representatives \$7,500 is not a living wage; that is an open question; but my sympathies are with those who work in the Postal Service and are trying to secure additional compensation to enable them to live better and give their children a better chance. However, I protest against putting the burden upon someone who is already getting less than the postal workers are receiving.

Mr. EDGE. Mr. President, will the Senator from South Dakota yield to me for a moment before he takes his seat?

The PRESIDENT pro tempore. Does the Senator from South Dakota yield to the Senator from New Jersey?

Mr. NORBECK. I yield.

Mr. EDGE. If I did not misunderstand the Senator, I thought he said that the original sponsor or introducer of the postal salary adjustment bill also introduced a bill to reduce postal rates. Inasmuch as I think I was the original sponsor of the salary reduction bill, I want to correct the impression that I introduced the other measure suggested by the Senator from South Dakota, because I am quite sure that I did not do so.

Mr. NORBECK. This is a House bill, is it not?

Mr. EDGE. The bill was introduced simultaneously in both Houses.

Mr. NORBECK. But the bill passed first in the House, did it not?

Mr. EDGE. The bills were practically introduced simultaneously in both the House and the Senate.

Mr. NORBECK. But it passed the House before it passed the Senate.

Mr. EDGE. I think not. As a matter of fact, it first passed the Senate.

Mr. NORBECK. I had reference to the House bill.

Mr. FRAZIER. Mr. President, I want to say for the benefit of the Senator from South Dakota, for I do not think he was here when I made the statement a few moments ago, that I am very much opposed to the increased rates, especially the unfair increases which placed the burden on the farmer, but I feel that the farmers are willing to pay this additional burden in order to give the postal employees something like a living wage. The farmers are used to being taxed for practically everything; they now pay indirectly or directly the expense of practically all the business concerns, and a little more burden, such as the 2-cent flat charge on parcel post packages and a little increase in the cost of money orders and in the insurance charge for postal packages, and so forth, will not amount to very much. So I think they would be willing to assume this additional burden in order to give the postal employees who serve them so well a chance to get a living wage.

Mr. NORBECK. May I ask the Senator another question?

Mr. FRAZIER. Certainly.

Mr. NORBECK. This bill will impose an increased burden upon the people of North Dakota of some \$400,000 or \$500,000 annually, will it not?

Mr. FRAZIER. I do not think it will be as much as that; I do not know the exact figures, but it will be quite a little increase.

Mr. NORBECK. And the Senator feels that the farmers are perfectly willing to stand for that?

Mr. FRAZIER. So far as I know, I think they are. Of course, divided up among the farmers, as nearly as I can figure it out, it will only amount to between 15 and 20 cents for each one.

Mr. NORBECK. I have noticed that the Republican Party will divide when it comes to the question of the farmer, and that the Democratic Party will divide, but I have never known the Farmer-Labor Party to divide. If there is any chance to put an extra burden on the farmer, they always vote for it. [Laughter.]

Mr. FRAZIER. In reply to the reference of the Senator from South Dakota to the Farmer-Labor Party, I want to say right now that I have always been a Republican; my father was a Republican; I have had three older brothers and they were all Republicans; and, naturally, I am a Republican, and always have been, and do not belong to any other party.

Mr. NORBECK. That is cheering news; but, if I remember correctly, the Senator from North Dakota, when he was governor of that State, came into my State and campaigned for the Farmer-Labor ticket. [Laughter.]

Mr. FRAZIER. That all may be; I will admit that; but I campaigned as a Republican, nevertheless.

The PRESIDENT pro tempore. The Chair will call the attention of Senators to the rule that prevents a Senator from speaking more than twice on the same day.

Mr. GEORGE. Mr. President, I originally voted for the bill increasing the salaries of postal employees, and I also voted to override the President's veto of that bill. I was, in fact, a member of the subcommittee which had under consideration the postal salaries bill, but I have always opposed the joining of Title II of this bill to Title I; that is, the uniting of the provision for raising revenue with Title I, which provides for an increase in postal salaries which the committee believes to be warranted and justified.

When the President's veto was under discussion in the Senate I took occasion to say—and I again repeat—that one's judgment against the rates on mail matter proposed in this bill may be warped because of his bias or feeling or judgment in favor of an increase in the salary of the postal employees. While I have supported at all times an effort to secure an increase, and as I believed a just increase, in the salaries of the employees in the Postal Service, I do not favor the rates fixed in this bill on second and fourth class mail and on the special services performed by the postal system.

Mr. President, the question is whether I shall vote for an increase in the salaries of the employees and waive my best judgment against the rates proposed in this conference report, or whether I shall vote against the conference report. So far as I am concerned, I am going to vote against the conference report, not because I do not favor an increase in the salaries of the employees, but because I do object to joining the two

proposals in one measure, especially when Title II of this bill is based upon a hurried investigation—indeed, I may say, upon a so-called investigation which was no investigation at all—and the rates proposed are rates that have been suggested and put into this measure almost upon the spur of the moment.

Mr. President, under this conference bill it is estimated by the spokesman for the measure in the House, and I think by the Post Office Department, that the 2-cent service charge on parcel post will produce revenue amounting to \$13,600,000 a year. Just how that is arrived at I am unable to say. Just how those figures are secured I can not understand, because under the lowest estimate yet made of the number of packages going as parcel post the number is given as 1,000,000,000 packages a year. It is a matter of simple arithmetic to calculate the amount of revenue that would be produced by the additional 2 cents upon that gross number of packages. It is true that the amendment that was inserted in the Senate, providing that no service charge should be made upon packages collected on rural free-delivery routes, is still carried in the bill; but under the cost-ascertainment report it appears that only about 15,000,000 packages are collected on the rural free-delivery routes. It therefore would seem to me that 2 cents upon all packages carried as parcel post would produce revenue in excess of \$13,600,000 a year; but, taking the figures of the Post Office Department and the figures suggested by the proponents of this measure to the House on yesterday, and heretofore suggested, 2 cents on each package would produce a total revenue of \$13,600,000.

What I want to say is this: No Senator, if he will examine the facts, can vote for this conference report upon the theory that the parcel post does not serve the farmers of America. I know that that argument has been advanced. It is a very convenient argument for those Senators who expect to make that argument again, but it can not be truthfully made nor sincerely advanced, if the figures provided by the cost-ascertainment commission are to be relied upon.

It is true that the cost-ascertainment commission found that only about 1½ per cent of parcel post originated with the farmer, and that only about nine and a fraction per cent originated elsewhere, but for delivery to the farmer; and it was argued by the commission that only about 10 or 11 per cent of the parcel post was actually used for the service of the farmer. But while that is true, Mr. President, the Post Office Department itself came forward with the information that in its opinion 35 per cent of all parcel post was really used by the farmer as a sender or as a recipient of parcel post, and the Post Office Department arrived at it in this way: It was pointed out that 44 per cent, I believe, of the total number of parcel-post packages carried by the mails were delivered at third and fourth class post offices, and that the third and fourth class post offices, particularly the fourth-class post offices, serve almost exclusively the farmer; and it is given as the opinion of the best-informed men in the Postal Service to-day that at least 35 per cent of the service rendered by parcel post is rendered to the American farmer.

I want to call the attention of the Senate to the fact that while only 11 per cent of the packages actually originate on rural delivery routes or are delivered on rural delivery routes, this conference report not only carries 2 cents upon each one of those packages except packages collected on rural delivery routes, but it fixes an additional rate upon post-office money orders, upon C. O. D. packages, upon every class of special service, in fact, that serves the farmer in America. This conference report places upon the farmers of America fully one-third, and in my judgment almost one-half, of the entire increase of salaries that is now given to the postal employees. In other words, according to the estimate given out by the department, here is a bill that will raise about \$60,000,000 a year, and when this bill is in operation and these new rates have been applied it will be found that around \$30,000,000 have been added to the users of parcel post, and by any sort of fair calculation it will be found that 30 to 35 per cent of the users of the parcel post are the American farmers.

Therefore, Mr. President, I shall not be able to support the conference report. I shall not be able to do so because I do not believe it is a sound principle to couple with legislation giving an increase in salary—which should be determined upon one single consideration and one alone, and that is whether the salary increase is just, whether it is authorized, whether it is warranted—a measure hastily devised, based upon hearings that were nothing more nor less than a farce, when the users of the postal system were not allowed the privilege nor given the time or opportunity to come before the committee and present their case in full or even in part.

Before the subcommittee that heard the users of the mails during the Christmas recess of this Congress only one class of users had an opportunity partially to present their case, and that was the publishers of the country. But one representative of the users of parcel post said anything about parcel post. Shall we couple the two together? Shall our judgment against these rates be overridden because of our bias in favor of the men who are working for inadequate salaries in the Postal Service? Shall we not determine whether the salary of the employee is just or unjust upon the single merits of that question, and then shall we not determine a schedule of postal rates that are fair, that are equitable, that are just to the users of the mail?

Oh, I know that it has been said, and it will be again said, that the parcel post has not served the American farmer; that only 11 per cent of all parcel-post packages either originate with or are received by him; but when you get a fair and just estimate of the actual operation of the law you will find that 35 to 40 per cent of all of the increase that you have placed on parcel post has been placed on the American farmer. This being true, Mr. President, I shall not vote for the conference report.

I have no disposition to prevent a vote being taken. The matter has been discussed, but we are proceeding with the legislation not so much out of consideration to the just deserts and demands of the postal employees, nor so much in the interest of fair, equitable, and just postal rates, but because we are forced to find the money in some way, somehow, through the operation of some sort of postal rates, and in order to do what we think to be justice to the postal employees we are willing to take these rates; and I for one do not want it to be said hereafter that Senators did not have it brought to their attention that almost one-half if not one-half of the entire sixty-odd millions of dollars that will be raised annually by these rates will come out of the users of parcel post, and that 35 to 40 per cent of that one-half will come out of the American farmer.

The men in the postal system are entitled to increases in their salaries, I think. I have heretofore expressed myself upon that subject, but I do not believe that they would impose upon the users of the mails unfair and unjust and inequitable rates; and I call the attention of the Senate to another fact, that in the conference report the rates that are now enacted are, in effect, permanent rates. They do not expire at a given time. They are not in operation so many months, but they are permanent rates, at least until other rates are provided.

Mr. BROOKHART. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Iowa?

Mr. GEORGE. I yield.

Mr. BROOKHART. I should like to ask the Senator what portion of the service of the post office under these rates is performed at less than cost? What portion of the mail goes at less than cost?

Mr. GEORGE. Under the conference report?

Mr. BROOKHART. Yes.

Mr. GEORGE. According to the estimates of the cost-ascertainment commission, the alleged deficiency in second-class mail is the greatest in the entire postal system.

This conference report does not in fact increase the rates on second-class mail, except as to religious and fraternal journals, and except upon newspapers going beyond the third zone.

Mr. BROOKHART. What effect would the conference report have on the rates paid on the Saturday Evening Post?

Mr. GEORGE. I do not think the rates in the conference report would affect the Saturday Evening Post or publications of that kind at all.

Mr. BROOKHART. Is it true that they are getting a rate lower than the cost of the service to the Government?

Mr. GEORGE. As to that, the cost-ascertainment report shows that they are.

Mr. BROOKHART. Does not that amount to paying a subsidy out of the Treasury to publications of that kind?

Mr. GEORGE. The cost ascertainment report, as I was about to say, does show that magazines like the Saturday Evening Post and the Ladies Home Journal are being carried at a loss, but nothing like so great a loss as is ordinarily supposed; but it does, nevertheless, show that those publications are being carried at a loss. I have believed, and yet believe, that the real reason for loss on second-class mail lies in this fact, that because of an unscientific adjustment of the rates, because of excessive rates in some particulars, so much of second-class matter has been driven out of the mail, until a loss upon the small part carried, which happens to be the ex-

pensive part of the service rendered by the Post Office Department, results in a deficit.

I am not discussing that feature, however. This conference report does not increase the cost of first-class mail, except upon post cards of a certain description. It does not increase second-class rates at all, or, if so, but slightly. It does increase third-class costs about \$18,000,000, according to the estimate of the Post Office Department, and it does increase parcel-post costs \$13,600,000, according to the estimates given by the Post Office Department, though I am unable to see just how they arrive at so small a figure. It undoubtedly does double the cost of carrying post-office money orders, C. O. D. packages, and so forth.

I have called attention to the fact—and this is the point I wish to emphasize—that when you consider your special services, such as post-office money orders, C. O. D. packages, and parcel post, you are dealing with one class of mail that is used very largely by the farmer. Perhaps he does not use those classes of mail to the extent of 50 per cent of their use, but he does use them to the extent of 35 or 40 per cent, according to the estimates of the Post Office Department.

Mr. BROOKHART. Do the rates on the parcel post wipe out the entire deficit? Do they make the parcel post a paying proposition?

Mr. GEORGE. These rates?

Mr. BROOKHART. The rates fixed in the conference report?

Mr. GEORGE. These rates, I might say to the Senator, according to the estimate, will not produce enough revenue to pay the increases in the salaries carried in the bill.

Mr. BROOKHART. That was hardly the question I asked. Will they produce enough increases to pay the deficit on parcel post?

Mr. GEORGE. I think they will produce more than enough.

Mr. BROOKHART. But they will leave a deficit on second class?

Mr. GEORGE. I want to say to the Senator that it is a disputed question as to just what part of the cost of the postal system should be charged to parcel post, but according to the cost-ascertainment report, these rates will produce more than enough, as I now recollect it. Upon that point I do not assert that my recollection is correct, those rates will produce more than enough, according to my recollection, to take care of the deficit in parcel-post receipts.

Mr. BROOKHART. This report, then, is plainly a discrimination against the people who use the parcel post.

Mr. GEORGE. So I think, and I am basing my objection upon that fact.

Mr. HARRISON. Mr. President, I do not think the Senator from Georgia explained that provision of the conference report where it was provided that fourth-class packages of 8 ounces or less were to be put in the third class.

Mr. GEORGE. I have not explained that.

Mr. HARRISON. I was wondering what the conference report provided in that matter.

Mr. GEORGE. I have not read the conference report on that matter, but my impression is that the provisions are the same as in existing law.

I have said all I desire to say on this subject. It is a matter of regret that I am unable to vote for a bill to give to the post office employees what I believe would be a just, fair, and adequate increase in their salaries, but I can not do so, because I believe the users of the mails have not had a fair chance to be heard upon the rates carried in this conference report. I can not do so, because I believe that the burden of these rates would fall upon the users of parcel post, and because I believe that 35 to 40 per cent of those users are farmers who are not able to stand, and who ought not to be called upon to stand, a further increase in postal rates at this time.

Then, Mr. President, beyond all of that, I called attention to the fact some time ago in the Senate that for the present year the actual deficit in the Post Office Department is but little more than \$10,000,000. From 1921 to this year the deficit has gone down, steadily down, and additional economies in the Postal Service, in the course of the next few years, at least, would absorb a reasonable increase in salaries of the employees, and would make it unnecessary to increase postal rates.

I do not subscribe to the doctrine, and have not, and will not, that the postal system must pay its way. If that doctrine is to be insisted upon, and if every class of mail that is now receiving a preference or actually receiving free service is made to pay its way, enough money will be brought in by the Post Office Department to pay not only the existing deficit but

every penny carried in this bill by way of increase in the salaries of the employees.

What is the necessity, therefore, of increasing the postal rates when all Congress would have to do would be to take free matter out of the mail and do away with preferential rates. We would have, through such a system, an income sufficient to pay the salaries now provided by this bill and to take care of the deficit under existing law.

Mr. BROOKHART. Mr. President, if that were done, would there not still be a further injustice and discrepancy from the fact that first-class mail would be paying more than its share in order to make up the deficit on second-class mail?

Mr. GEORGE. That undoubtedly would be true, I would say to the Senator, according to the method of allocation employed by the cost-asertainment committee; but I myself do not believe that the basis upon which the cost was allocated to the different classes of mail was or is necessarily correct, and therefore I do not discuss that feature of this matter. But for the reasons I have indicated, and believing that an increase in postal rates is entirely unjustified under the circumstances, I can not vote for this conference report.

Mr. SWANSON. Mr. President, I will not detain the Senate long at this time in a discussion of the issues involved in this bill. I simply desire to explain the vote which I purpose to cast.

I have voted continuously for increases in the salaries of postal employees. For many years I served on the Committee on Post Offices and Post Roads, and I am satisfied that the Government has no more efficient, more capable, more hard-working employees than those in the Postal Service. I am satisfied that their rates of compensation are far less than those paid employees doing similar work, assuming similar responsibilities, and serving similar lengths of time in other branches. Consequently I have voted for increases in their salaries, and I voted to pass over the President's veto the postal increase pay bill. But I shall not vote for this conference report, because there are objections to it which should make the Senate refuse to agree to it.

First, it makes the postal rates contained in this bill permanent. That is, the exactions must continue, if they are exactions, until the law is modified. Those of us who have been here for the last 20 or 25 years know the utter impossibility of getting postal rates changed. We have had commission after commission investigating them, and they have made different reports. Consequently Senators may as well realize that these exactions will continue for years to come, and it will undoubtedly be a great many years before these postal rates can be modified. They are utterly different from those contained in the bill as it passed the Senate, which were to expire at the end of a limited time, as I understand it, and the Congress was to have the power to reopen and readjust the rates.

These rates were fixed without giving those whose interests were involved an opportunity to be heard. They affect a great many business concerns, and these exactions should not be imposed until those deeply concerned have an opportunity to present their views to the proper committees and to Congress.

Again, I think it is unjust to the postal employees themselves to burden the justice of their claim by connecting it with an unfair, unjust, and unpopular burden of taxation. If they are entitled to this money, they are entitled to it out of the Treasury, without having their claim burdened with a tax that will be resented, to a large extent, by those who will have to pay it. I do not think that burden should be put upon them more than upon any other employees of the Government, and I do not think the justice of their claim for compensation should be burdened by the exactions contained in this bill.

Again, there is no necessity for increasing these rates. As I understand it, there is in the Treasury an estimated surplus of nearly \$500,000,000, and consequently there is ample money, without increasing taxes on anyone, to make a just increase in the salaries of the postal employees. Next year we will be reducing taxes and this year we are increasing taxes. There is no occasion for this. If the estimated surplus in the Treasury, as I have heard it suggested, amounts to between \$400,000,000 and \$500,000,000, there is no occasion for imposing at this session of Congress additional taxes, additional burdens, without permitting the people who are to pay them to have an opportunity to appear before the committees of Congress and present their reasons why the exactions should not be made.

Mr. McKELLAR. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Tennessee?

Mr. SWANSON. I yield.

Mr. McKELLAR. This is really like what President Cleveland once referred to, "a condition and not a theory" that presents itself to us. President Coolidge vetoed the postal salary increase bill once, and we lacked but one vote, I believe, of passing it over his veto. The conferees prepared the bill and agreed upon a conference report, and he vetoed it the second time before it got to him. Now, if we are going to pass this bill, which contains what everybody concedes is just treatment for the postal employees, we have to take it as the President has given it to us.

Mr. SWANSON. Mr. President, we have a peculiar form of government, the first of the kind ever created, one composed of a legislative, an executive, and a judicial department, conceived by that great Virginian, George Mason, and it is the model of all governments. Each department is expected to take its responsibility, to work according to its conscience for what is just, not to be influenced by anything but that. If the President thinks this tax ought to be imposed in order to give relief to these employees, that is his responsibility. I say now that I have voted in the past and will vote in the future to see that these employees get fair, just, and proper salaries.

But in order to do justice to one class of people I will not be coerced by the Executive to do an injustice to another class. That is where the Senator from Tennessee and myself differ. Each Senator in his own judgment will vote according to what he believes to be for the best interests of the people in connection with the measure now pending and let the President take his own responsibility. I have no criticism to make of him if he thinks that is wise and proper for him to do, but I am not here to be coerced into voting for an unpopular and unjust exaction in order that he may be satisfied to sign the bill. Our Government was not conceived on that principle. It is not the proper way to administer the Government. I am not willing that one-third of the burden should be placed upon the backs of the farmers of the country. It is not right, proper, or just, either under our system of government or under the system of taxation imposed.

If there was a deficit in the Treasury and we could not pay our obligations and could not pay the expenses of the Government, there might be some occasion to say, "I will veto the bill unless sufficient revenue is furnished." But for the last 20 years efforts have been made repeatedly in Congress and commissions have been appointed to do what they are now doing in connection with increased postal rates, and the judgment of Congress has never acceded to that effort. Now they come and attach the proposition to a popular and just act and say, "Do this injustice in order that you may do justice to the postal employees." I do not think it is right to the postal employees at this time and at all future times to make their proper increase in salary depend upon a further increase in postal rates. If that is done at this time, as the employees get older and their responsibilities become greater and they need a further increase in salaries, the same proposition will be made again, and it will be said that we have established the precedent that postal employees' salaries are dependent on increase in postal rates. I am not willing to indorse any such policy or any such principle in connection with these worthy, deserving, and hard-working employees. There is no deficit in the Treasury. We will be here next year endeavoring to reduce revenues, and there is no reason why these additional burdens should be imposed upon an already overburdened and overtaxed people.

Mr. JOHNSON of California. Mr. President, I am in sympathy with very much that has been said by the Senator from Virginia [Mr. SWANSON]. When the amendment of the Senator from Mississippi was before the Senate I voted for it. I believed it was the appropriate thing to do. I believe to-day that the increase in parcel-post rates is unjustified. But we are confronted to-day with just this situation: Either this injustice must be done in the matter of parcel-post rates or we must do the greater injustice of denying a living wage to the men who are in the post-office employment. I do not like the injustice in the parcel-post rates at all. I like less the injustice we have done to the employees of the United States Government.

In speaking of parcel-post rates I do not assume to speak in behalf of the farmers. I am probably the only man upon this floor who does not speak for the farmers of the Nation. I hope I am sympathetic with them. I have been sitting here for three months with a desire to vote for some legislation that they may wish and upon which those who represent them here might agree. I am ready now to vote for such legislation as they desire and as their proponents and sponsors upon this floor might present to this body. I recognize that an in-

justice in small degree is done them in the parcel-post rate, but I reiterate that I do not assume to speak and I do not speak for the farmers of the United States of America.

Speaking of the parcel post, I voted for the amendment of the Senator from Mississippi upon another ground in reality. I voted for it because I have the suspicion—perhaps it may be unjustified—that there are certain institutions, certain aggregations of wealth, and certain individuals who would cripple or destroy the parcel post if they had the power and the vote to destroy it. The increase of 2 cents, of course, will not destroy it, nor in reality cripple it. It is an injustice, of course, that I recognize. But weighing, as I must in this vote, the advantages and disadvantages that may accrue, the advantages that will come from giving to those who sorely need it a living wage are greater indeed and outweigh the disadvantages that come from the unjust and unfair rates that are included in the bill.

It is a childish pretense to say that we follow a policy of economy by taxing part of our people for an increase of salary for another part of our people. That is not a policy of economy at all. It is sheer nonsense to pretend it represents a policy of economy. It is to me equally untenable to assert that we must pay as we go with Government employees. It never has been the case and it never will be the case, and because it has not been the case and because no policy of economy can be founded upon a bill of this sort is the reason why I once before said the bill was a sham and pretense and the reason why I say now that is a sham and a pretense. But after all it does the big thing, the thing that I want to do and which most of us admit, every man, indeed, in this Chamber but one, I think, admits should be done—gives those in the employment of the Post Office Department an increase in wage, to which they are entitled. Admitting that fact, the only way of accomplishment is by voting for the conference report, and so, regretfully recognizing the injustice done and by no means assenting to that injustice, I shall vote in that fashion.

Mr. GLASS. Mr. President, does the Senator from California think it is really a big thing to rob one element of the American people in order to do a justice to another element?

Mr. JOHNSON of California. By no means, and while I do not designate it with the harsh characterization with which the Senator from Virginia has designated it, I think it is an injustice and a wrong. But I think of the bigger and the greater thing we are doing, and while it is a wrong that we should increase the parcel-post rates, nevertheless it can be done without lasting harm, and we can not go on in the fashion we are with the postal employees without lasting harm.

Mr. GLASS. Mr. President, I do not usually explain my vote upon the floor of the Senate. I try to rely upon my character and my sense of justice to constitute the explanation of any vote that I may cast. Nor do I stand here pretending to be the "farmer's friend." In my own judgment the sooner we quit going through the wretched pantomime of legislating the farmer into prosperity the sooner the farmer will prosper. The sooner the farmer realizes that that can not be done, the sooner he will set in motion those activities which will enable him through and in himself to acquire prosperity.

But I am not going to cast my vote to increase taxes when there is no need to increase taxes. If we want to do a big thing let us stop doing picaresque things. If we want to increase the wages of any of the employees of the Government let us pay the cost out of the common funds. There is no lack of common funds. I have seen the statement, more or less authentic, within the last few days that the approximate surplus in the United States Treasury at the end of the fiscal year will be nearly \$500,000,000. We will find ourselves next winter pleading the cause of the taxpayers for a reduction of burdens. We will be confronted the first thing out of the box with a proposition to reduce surtaxes. I am in favor of it and always have been in favor of it. It is real, genuine economy to do that. But the idea of imposing a burden of \$80,000,000 in increased taxes upon a section of the American people when we do not need to do it, when we have the money in the Treasury right at this moment to meet the charge of the increase in the pay of the postal employees, is to my mind highly improper.

I voted for the increase to postal employees. I voted to override the President's veto, something that I never do without great concern and grave consideration. I have always thought that the postal employees are entitled to an increase, particularly that element of them whose lives are subjected every day to hazards as well as to onerous work; but I am not going to vote to rob Peter to pay Paul. I am not going to

vote to "do a big thing" when it is coupled up with a picaresque and senseless thing. I am going to vote against the conference report.

Mr. WILLIS. I call for the yeas and nays, Mr. President.

Mr. HARRISON and Mr. COPELAND addressed the Chair.

The PRESIDENT pro tempore. The Senator from Mississippi.

Mr. HARRISON. Mr. President, I understood that the Senator from New York first asked for recognition.

The PRESIDENT pro tempore. The Chair has recognized the Senator from Mississippi unless the Senator from Mississippi yields to the Senator from New York.

Mr. HARRISON. I do not want the time I yield to be counted against me. I understand that I have a right to speak twice on the conference report, and I have not yet spoken, but have given way for other Senators to speak on the report. I will now gladly yield to the Senator from New York.

The PRESIDENT pro tempore. The Senator from Mississippi yields to the Senator from New York.

Mr. COPELAND. I thank the Senator from Mississippi. I shall detain the Senate for but a moment.

Mr. President, I was much interested when the Senator from Virginia [Mr. GLASS] said that it was not often that he had occasion to explain his vote. I sympathize with him. Almost every Senator feels that in this matter he must explain his vote. The situation is such that it is an embarrassment to any Senator to vote for the conference report.

We were placed in this position, in the first instance, by reason of the veto by the President of the postal-salary increase bill. I do not suppose there is a Senator here—certainly there are very few Senators here—but promised the postal employees that every effort would be made to give them the increased compensation to which they are entitled. The bill has been before us for a long time and has now reached us in such form that everybody is placed in an embarrassing position.

We are disappointed because we feel that the farmer and the small dealer and all who have occasion to use the parcel-post service are going to feel they have been imposed upon, as they have been, in the formulation of this bill. The newspapers and others will have the same feeling, and yet the bill is presented to us now in such form that the only way the postal employees can have the increase to which they are entitled is to swallow this pill.

The Senator from Virginia has called attention to the surplus in the Treasury. Several times during the session when I have had the floor I have asked Senators on the other side why they did not propose an additional 25 per cent reduction in the income tax. It could have been made, but it has not been. Instead of reducing taxes, as could have been done, here is a bill which carries with it an increase in revenue which is entirely unnecessary. But under the objection which the President has made to us it must be provided for in the bill in order to secure the increase for the postal employees.

So, Mr. President, distasteful as the bill is to me in almost every respect, except that relating to the increase of compensation to the postal employees, I shall vote for the conference report. I regret to be placed in the position I find myself. It is not a fair thing to place any Senator in the position of having to explain a vote upon a measure.

I fear we are doing injustice to large groups of our citizens in order that we may do justice to the postal employees. I am going to vote for the conference report in the hope that at the next session the evils which will follow the passage of the act may be corrected. It is in that spirit that I shall vote for the conference report.

Mr. HARRISON. Mr. President, I am against the policy proposed to be established by the bill as embodied in the conference report of raising the revenue in order to pay the increased compensation to the postal employees. It seems to me that it is dangerous, and that the precedent will rise to haunt us in future years. That was not the policy of the Senate and the House of Representatives last year when they sought to increase the salaries of some highly paid employees of the Post Office Department in one of the general appropriation bills.

Several distinguished men in that department of the Government, although at that time among the best paid, received very large increases, yet nothing was said either by the President, or by the gentlemen who now advocate this measure about raising revenue in the same legislation to pay for the increase in salaries.

I could cite among other employees who were taken care of in that legislation four assistants to the Postmaster Gen-

eral. Their salaries were increased from \$5,000 a year to \$7,500 a year. The salary of Mr. Stewart, a very competent employee in the Post Office Department, was increased from \$6,000 a year to \$7,500 a year. Mr. Spilman, who was superintendent of the division of the post-office service, had his salary raised from \$4,000 a year to \$5,200 a year. A large number of other highly paid employees in the Post Office Department had their salaries increased and yet no provision was made in the same legislation to pay for those increases; and, of course, the same thing has happened in other departments of the Government. It seems, when it is desired to raise the salary of highly paid Government employees that is all right and no protest is made; no presidential veto is forthcoming; no objection is urged; but as soon as it is sought to increase the pay of the poorly paid employees in one department of the Government, not only is opposition aroused but a presidential veto is forthcoming, and then a policy is adopted of raising sufficient revenue to take care of the increases. So, if we establish this precedent, where will it end? That we are going to establish it there seems to be no doubt.

But I shall not vote for this proposed legislation for the same reason that I did not vote for the bill when it passed the Senate a week or so ago. I think it is unfair, it is unjust, and it establishes a bad precedent. I am in favor of increasing the salaries of the postal employees. I am convinced and have been convinced for a long time that they are poorly paid.

I have showed my faith in their cause; I have proved my sympathy for them. I fought for them here when many Senators were opposed to giving them the increase. I advocated increased compensation for them when those higher up in the Government were protesting against the increase, when we needed help and assistance and cooperation but did not get it; when we needed some Senators on the other side of the aisle who did not come to our assistance. So I repeat, I have proved my faith and belief that the postal employees should have increased pay. I voted for the bill that sought to give them increased compensation after it had gone to the President and the President had vetoed it and it came back to the Senate for a vote on the question of overriding the veto. I did everything then I could for it; I spoke for it; I voted to pass it over the veto. That effort, however, failed. It failed because it was desired to uphold the hands of the President. It was said at that time that it was the first conflict that President Coolidge had with the Congress, and it was said also, I believe, that it was the first test in which the new and distinguished leader of the majority had marshalled his forces in combat. He wanted to win; the President wanted to win; and so Senators just tumbled over one another in voting to sustain the veto of the President.

Many of them who had promised increased pay to the postal employees when they were up for election or reelection went back on their promises; some of them jumped backward; some of them who had voted for the bill when it was before the Senate and had carried out their promises to the postal employees to that extent and who had tried to do justice to them, when the President let it be known that he wanted them to vote against it and to sustain his veto just marched right up and cast their votes to sustain him.

It was said by many, and was published in the newspapers, that some of the distinguished Senators and perhaps some of the Members of the other House—but I am prevented by the rules from referring to the other House—who went down in defeat last year either in the primaries or the general election—and not many went down in the election; there should have been more—were after some job; that they were going to get some plum that would fall from the patronage tree. I do not know whether any of them were influenced by that or not; I do not say that they were; I want to ascribe high motives to men in the discharge of their duties here; but I do know and you know, Mr. President, and the postal employees know that there were Senators who voted in the first instance for increased pay who changed front and voted to sustain the President when he vetoed the measure. Some of those same Senators are the loudest now in their advocacy of this particular measure. They are the ones now who claim to be the everlasting and undying friends of the postal employees of the country; and those of us who made the fight for the postal employees, who then stood here and waged the battle for them, are now represented as opposing the interests of these employees.

I am not so weak and timid that I can be scared into voting to place anywhere from thirteen to twenty-odd millions of dollars upon those who use the parcel post in order to raise the salaries of postal employees.

I know, Mr. President, that if we incorporate in this bill a provision to raise revenue to pay these increases, next year we will have the same proposition put up to us in every instance when other employees may deserve an increase of pay. Let us consider what could happen. Here is the Department of Justice. I know that there are employees of the Department of Justice who are not getting what they are entitled to. The time may come when they will need an increase of salary. Some of them, especially, might need an increase of salary. Take the prohibition department for instance. Suppose a just demand were made here to increase the salaries of the men in the prohibition service of the Government. How could you do it, in view of this? Why, you would have to write into the same bill a provision that every time a fellow is convicted of selling liquor there shall be added to the costs a certain amount to go to pay these particular employees. If you followed that precedent, every time one of the prohibition agents caught a blind tiger and got a conviction you would have to provide that so much should be imposed in order to pay him, particularly. And so it runs, Mr. President, throughout.

Why, take the attorneys in the Department of Justice, the district attorneys in the country, and it could extend even to the judges. In many of the States they have a fee system under which, if you get a conviction of a crap shooter, you get \$5, perhaps, or if you get a conviction of a murderer you get \$100 or \$250. Of course, that old system is a relic of antiquity, but it still exists in some States; and if you follow out the practice established in this legislation you must increase the salaries of the Federal district attorneys or of these men in the Department of Justice by imposing, in case of conviction, a certain amount in order to pay the increase in their salaries. The same thing could be applied to every other department of the Government.

Take the Shipping Board: If there were a demand made to increase the salaries of the men in the Shipping Board, you would want to impose right in the bill, at the same time, an increased rate on shipments of goods upon the Shipping Board vessels, in order to raise their salaries.

Take, for instance, the men in the Board of Army Engineers. If you should carry out this thing, and they should need an increase at any time, you would have to write into the bill a provision that every time a new river or harbor project is established you will make the particular locality add to the appropriation in order to raise enough money to pay these increased salaries.

Mr. President, it is all wrong. We had this proposition suggested once before when the soldiers of the country needed an adjusted compensation, and there was great demand for it, and the Committee on Finance was considering it, and the Committee of the House was considering it. My friend, the distinguished Senator from Utah [Mr. SMOOT], at that time suggested a way to raise the money so that every soldier, as he got his little compensation, would be confronted with somebody who had just bought something and had paid a sales tax in order to raise the money to pay the soldiers. The Congress did not think much of the sales tax being used to raise the funds to pay the soldiers in the late war; but if you pass this legislation raising revenue to pay these postal employees, in years to come, if you ever pass another pension bill or another adjusted compensation bill, you would in the same instance have to raise the money by a sales tax or some other kind of special tax.

It is unfair to these postal employees to place them in a position where the people in the country in the localities where the employees work will be obliged to carry this burden. It is a peculiar situation that we have here. Let me read, so that the RECORD may carry it again—because it can not be carried too often—a statement of the deficits that were created in the Post Office Department through the various sources last year. I invite the attention of the distinguished junior Senator from Iowa [Mr. BROOKHART] to this matter, because he inquired of the Senator from Georgia [Mr. GEORGE] while that Senator was on his feet, how much the deficit was last year on parcel post and how much this increased rate on parcel post was and whether or not the increase provided for taking care of the deficit. I will tell you. Here are the figures. They may not sound well to some, but the people will know them in time. They may not be published in the papers; I do not know. No periodical in this country may carry them; I do not know; but I know that in some way, through some agency, by some means, this information in years to come will percolate and go back and let these people know what the situation is and what you are doing here.

If the farmers of this country were well organized and exerted the influence upon legislation that they once exerted, there would not be a corporal's guard to support this conference report or advocate this proposition. It never would have been born. Nobody would have had the temerity to suggest such a proposition as compelling one class of people to pay over one-third of the increased rates provided for in this bill.

I know there is a great difference of opinion as to what these parcel-post rate increases will amount to. The distinguished Senator from New Hampshire [Mr. MOSES], in the discussion on the floor of the Senate here, said that the increase would be somewhere around \$18,000,000. That was his estimate. It was first supposed to be \$20,000,000, because there were a billion packages of parcel post carried in the mails, and the 2-cent flat rate would amount to practically \$20,000,000. The amendment of the distinguished Senator from Georgia [Mr. GEORGE] removed those parcels that originated on the rural routes, which covered 1½ per cent of all that went into the Parcel Post Service, and they said that would amount to about \$2,000,000, and reduced the increase to about \$18,000,000. But while the Senator from New Hampshire thought it would be around \$18,000,000, in a speech on the floor of the House to which I shall allude presently, made by one of the House conferees, he says it is only \$13,000,000 and something, and he cites the department's figures on that proposition. So we are just left up in the air. We do not know. The men who are in charge of the bill can not agree upon the facts of the proposition. One says thirteen millions and something, and another says eighteen millions of dollars. Just before that they said twenty millions of dollars; so we do not know what the burden on the farmers and the shippers of the country will be.

Here are the deficits that were carried last year in the Post Office Department:

In the first class, of course, they made money. They gained \$80,000,000.

In the second class there was \$74,000,000 of loss to the Government—to be exact, \$74,712,868 loss on second-class matter. How much is sought to be raised on second-class matter under this bill? How much revenue is exacted on second-class mail in this bill? As it passed the Senate, under the Senate amendment, the Post Office Department in a letter said that they had lowered the amount six hundred and eighty odd thousand dollars. The House raised that amount. They lifted it until they were going to raise out of second-class matter about \$3,998,000; but that was cut down again, and there was one of the places where the House receded. They were gracious. They receded there, I believe; and so it is now estimated that they will raise about \$500,000 more out of second-class matter than was raised before. So there you are. Where the big loss occurred last year, \$74,000,000, they increased that by \$500,000 this year.

Now, let us get to the parcel-post matter, the fourth-class proposition.

On fourth-class mail there was a loss of \$6,916,000. In this proposed legislation, as I say, there is a difference of opinion as to whether we are going to raise \$13,000,000 and something or \$18,000,000. You are going to raise more than that, but the men who have this matter in charge differ about \$5,000,000 with respect to the revenue. At any rate, taking the very smallest figure that is suggested, some \$6,000,000 more than the deficit of last year in the parcel-post matter is being raised. There is an attempt to raise \$13,600,000 on the fourth class, when there was a deficit of only \$6,916,000 last year. There was another deficit last year in the money-order branch of \$9,540,000. In registration there was \$10,374,000. In special delivery there was \$121,000. In insurance there was \$1,145,000. In C. O. D. there was \$1,825,000.

Not content with raising the rate so high as to have a surplus, there is a proposal to increase the revenue, in a matter which would affect the shippers by parcel post, those living in the interior parts of the country; not alone an increase in the flat parcel-post rate, but there is expected an increase of \$3,058,000 in the rate on the insurance service. On the C. O. D. service, in the third and fourth classes, an increase of \$1,103,000 is expected. On money orders, because of the increased rate, there is an increase expected of \$3,582,000, and on the registry service there is an increase of \$3,180,000 expected. So the increased rates in the C. O. D. service, the insurance service, the money order service, and the registration service affect the same class of people who would be affected by the 2-cent flat rate increase in parcel post, and if those increases are added there will be found to be an increase of something like \$10,000,000 or \$11,000,000 where these very people are affected.

Now, I want to read to the Senate what happened in the House. Of course, the House has never had an opportunity to vote on this parcel-post feature directly. There was made on yesterday a motion to strike out, which carried a motion to recommit, to strike out 1 cent of the parcel-post rate, making it a flat rate of 1 cent on parcel post. The sentiment of the House was not determined by virtue of that vote, because that was a motion to recommit, and the Members felt that if the motion prevailed this legislation would be dead. Innumerable Representatives no doubt refused to vote for the motion to recommit, whereas they would have voted to reduce the rate or to eliminate the increase in the parcel-post rate if it had come up as a separate proposition.

When the measure was first presented to the House it went to that body under a special rule, which prevented the consideration of the bill except en bloc; in other words, as I gathered it, no amendment could be offered. Of course the House had full opportunity to do that if they desired, and they did it, but no one could offer an amendment at that time in the consideration of the bill that would have brought a straight vote on the elimination of the 2-cent flat rate or to reduce it even to 1 cent.

I now want to read from the RECORD for the edification of my friend the Senator from New Hampshire [Mr. MOSES] and my friend the Senator from Colorado [Mr. PHIPPS], who happened to be on the conference committee representing the Senate on this bill. Of course the Senate voted to reduce the 2-cent flat rate to 1 cent, and then the Senate by a record vote took off the 1-cent flat rate. They left the matter in regard to parcel post exactly as it is in the present law. The Senate expected that the Senate conferees would go out and stand by the action of the Senate. That is always expected of Senate conferees, because House conferees at least attempt to stand by the action of the House. We had every reason to believe that there would be a great fight made upon the part of the Senate conferees at least to carry out the wishes of the Senate, expressed on at least two different occasions, to the effect that the Senate did not want, in one instance, any flat-rate increase on parcel post and, in the other, that they were in favor of reducing it to 1 cent. But we find that the House overpowered them.

Mr. PHIPPS. Mr. President, will the Senator yield?

Mr. HARRISON. That the House just knocked them down and exacted from them this 1-cent flat rate.

Mr. PHIPPS. I want to assure the Senator from Mississippi that it was not a knockdown without a preliminary fight, and a long, hard struggle. The Senator from Mississippi has sat in conferences, and he knows that one side or the other must yield. In this case, the Senate happened to yield.

Mr. HARRISON. I understand that the Senate conferees finally won on the 1-cent flat rate. I do not know how hard they fought to have it all taken off. But I want to read from the RECORD this remarkable statement upon the part of one of the House conferees, Mr. BELL. He said this:

I want now to say something with reference to fourth-class matter, and that is the parcel-post matter.

This gentleman is one who was present in the meeting of the conferees, I take it, because he was one of the House conferees, at all the meetings of the conferees.

The Senate is committed on two different occasions to a 1-cent service charge, on parcels instead of 2 cents, as provided in the conference report. They have voted twice on this proposition carrying a 1-cent charge instead of a 2-cent charge.

One of the House conferees, in speaking, did not know, evidently, that the Senate had taken off the parcel post all of the flat increase. Evidently he had heard nothing of the action of the Senate from the Senate conferees, because on the floor of the House he spoke only of the Senate action reducing it from 2 cents to 1 cent. I can imagine that the distinguished Senator from Colorado and the distinguished Senator from New Hampshire must have spoken loudly and long and eloquently, and have impressed greatly the distinguished Representative from Georgia, when he even did not know, evidently, when he made his speech, that the Senate had ever taken all of the flat rate off the parcel post.

I can not imagine that my friend from Colorado whispered it and thought then he had discharged his duty, but evidently the Senate conferees must have talked, and have spoken very quietly, and not have insisted strongly and loudly. They made little impression upon the distinguished Representative from Georgia. I can not imagine any other reason for Representative BELL stating on the floor of the House that the Senate on two different occasions had reduced the rate from 2 cents to

1 cent. He was arguing the proposition to the House then in support of a motion to recommit the bill, trying to influence the House to increase the rates. How much stronger would it have been if he had informed the House at the time that the Senate on one occasion had thought so well of the proposition that it had stricken out all of the increased rate on parcel post. I can not believe that he had the information.

It may be that the Senator from Colorado and the Senator from New Hampshire told Representative KELLY and Representative PAIGE about it, but kept it a secret from Representative BELL.

Mr. PHIPPS. May I interrupt the Senator?

Mr. HARRISON. I yield.

Mr. PHIPPS. In order to relieve the Senator's mind, undoubtedly Representative BELL was fully informed as to the action of the Senate.

Mr. HARRISON. The Senator was occupied with some matters on his desk, and no doubt did not hear me argue in support of the contention that Representative BELL must not have known of the action of the Senate, because he did not state it in his speech, but only stated that the Senate on two different occasions had decreased the rate from 2 cents to 1 cent.

Mr. PHIPPS. I can sign letters and still not miss anything the Senator is saying.

Mr. HARRISON. I hope they are good letters the Senator is writing. He has not increased the rate on those letters he writes. He has just sought to increase the rate—

Mr. MOSES. They are franked anyway.

Mr. HARRISON. The Senator does not write a business letter and frank it. I have a better opinion of the Senator from Colorado than my friend the Senator from New Hampshire has of him.

Mr. President, let me read from the remarks of one of the Representatives in the debate on this question, because he has really placed the Senate conferees in a bad light. I have felt, and I am sure other Senators have felt, that no abler Senators could have gone on a conference committee, none who would have worked harder or more diligently, than did the conferees appointed upon the part of the Senate to work out this proposition. We believed they would fight to the very limit for the propositions as they passed the Senate, although I was surprised when I heard the Senator from Tennessee [Mr. McKELLAR] state that the conference first agreed upon a flat rate of 1 cent on parcel post and that the conference adjourned; that it was all agreed to, that the understanding was complete, the House conferees went their way, and the Senate conferees went their way. But two of the conferees went up Pennsylvania Avenue to the White House, and then they conferred with the President, and to the surprise of everyone the next morning the distinguished Senator from New Hampshire called another meeting of the conference, and said that the rate on parcel post should be increased from 1 cent to 2 cents, in order to raise the revenue.

Mr. MOSES. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from New Hampshire?

Mr. HARRISON. I yield.

Mr. MOSES. The Senator is stating with great accuracy, of course, the things that took place in a meeting at which he was not present and at a time when he was several hundred miles away from Washington. But that is not what I rose to say. When the postal salaries conference report was taken up this afternoon I stated that before the hour of 5 o'clock had arrived I would come to some agreement with the Senator from Utah who has in hand the conference report on the Interior Department appropriation bill. I have now reached that agreement, and it is that the Senator from Mississippi is making such an illuminating speech that we shall let him proceed.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. McNARY in the chair). The clerk will call the roll.

The principal legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Copeland	Fletcher	Johnson, Minn.
Ball	Couzens	Frazier	Jones, N. Mex.
Bayard	Cummins	George	Jones, Wash.
Bingham	Curtis	Gerry	Kendrick
Borah	Dale	Glass	Keyes
Brookhart	Dial	Gooding	King
Broussard	Dill	Hale	Ladd
Bruce	Edge	Harrell	Lenroot
Bursum	Edwards	Harris	McKellar
Butler	Ernst	Harrison	McNary
Cameron	Fernald	Heflin	Mayfield
Capper	Ferris	Howell	Means
Caraway	Fess	Johnson, Calif.	Metcalf

Moses	Ralston	Smith	Walsh, Mass.
Neely	Ransdell	Snoot	Walsh, Mont.
Norbeck	Reed, Mo.	Stanfield	Warren
Oddie	Reed, Pa.	Sterling	Watson
Overman	Robinson	Swanson	Weller
Pepper	Sheppard	Trammell	Wheeler
Phipps	Shipstead	Underwood	Willis
Pittman	Simmons	Wadsworth	

The PRESIDING OFFICER. Eighty-three Senators having answered to their names, a quorum of the Senate is present. The Senator from Mississippi will proceed.

Mr. HARRISON. Mr. President, I quote from a speech made by one of the House conferees on the floor of the House with reference to this bill:

Mr. KELLY. The House sent to conference a measure raising \$61,000,000. The Senate met us with a bill providing \$23,000,000 in revenue.

We were led to believe that it raised \$46,000,000 when it passed the Senate.

Mr. KELLY proceeded:

We bring back to you a bill raising \$59,000,000.

Those Members of this House who believe that the right to originate postal-rate legislation is the exclusive right of the House may well be gratified with this conference report, because we have written the postage rates carried in this bill.

There was one of the House conferees saying to the House:

Because we have written the postage rates carried in this bill.

I wonder what the Senate conferees were doing? We understand that the only thing they won out on in the first instance was to reduce to 1 cent the postal rate of 2 cents carried in the House bill, whereupon the conferees adjourned. Then the next morning after the President was seen that rate was increased again.

Mr. President, we are told here in plain words, and the action verifies it, that unless a 2-cent flat rate on parcel post is carried in the legislation the President would veto it. That would lead us to believe that the President has let those who communicated with him know that if we reduced the parcel-post rate from 2 cents to nothing, as it is to-day, or 2 cents to 1 cent, as the Senate had agreed to do at one time, there would be a probable veto. Senators, you are placing your President in a bad light. How will the shippers of the country relish the thought that the President of the United States insisted that they, in the small towns surrounding the offices of the third and fourth class and those out on rural routes, should pay the 2-cent flat rate to help meet the increases? If there is any other interpretation to be placed upon it, I would like to have some one speak up. I can not believe that the Congress would desire to put this very large proportion carried in the bill on the shippers of parcel-post packages. Yet the inference must be drawn, because the charge is practically made by the Senator from Tennessee [Mr. McKELLAR], and acquiesced in practically by the Senator from New Hampshire [Mr. MOSES], that the President thought it was best to adopt the House rate on parcel post.

We are told in one breath that we have to have farm legislation before Congress can adjourn. The distinguished Senator from Idaho [Mr. BORAH] has insisted upon farm legislation or an extra session of Congress. The distinguished leader on the other side of the Chamber has insisted upon a cooperative marketing bill being passed during this session of Congress. We have it before us. We are now going to have the farmers of the country regulated from Washington. We have regulated everybody else in the country from Washington, and now it is proposed to regulate the farmers of the country through a Federal cooperative board. That measure will not get very far if there are other Senators here who feel as I do about the proposition. It provides for a voluntary registration of cooperative marketing associations and compulsory regulation of them by a board who may or may not be in sympathy with the views of the farmer.

Mr. BROOKHART. Mr. President, I think the Senator is mistaken about the provisions of the farm bill which was passed by the House.

Mr. HARRISON. There is no doubt about the bill that was introduced in the House.

Mr. BROOKHART. But they substituted what is known as the Dickinson bill.

Mr. HARRISON. That was not the bill that was indorsed by the President's agricultural commission.

Mr. BROOKHART. That is the bill that passed the House.

Mr. HARRISON. Am I now informed that the House has repudiated the suggestion of the President and of the President's agricultural commission?

Mr. BROOKHART. That is correct.

Mr. HARRISON. That they killed the President's plan and adopted the Dickinson plan?

Mr. BROOKHART. That is correct.

Mr. HARRISON. I congratulate the House.

Now, Mr. President, I shall not occupy the time of the Senate much longer. If I should carry out my inclinations, and if I had the strength to do it, even though I did not get help from a single Senator here, this conference report would be defeated.

Mr. ASHURST. Mr. President—

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Arizona?

Mr. HARRISON. I yield.

Mr. ASHURST. I do not wish to take the Senator off the floor. The able Senator from Mississippi—

Mr. HARRISON. If the Senator will permit me, I will get through much more quickly than if the Senator interrupts me.

Mr. ASHURST. I shall lend the Senator the benefit of my silence.

Mr. HARRISON. As I was about to say, there is no Senator here for whom I have greater fondness than I have for the distinguished Senator from New Hampshire [Mr. MOSES]. We made the fight here in the Senate to reduce the parcel-post rate, and finally we won out in our contentions. The sentiment of the Senate was against increasing the parcel-post rate to take care of the increased salaries; but we find that the House has its way about everything in the way of differences practically, and that the Senate conferees surrendered on that particular proposition. I dislike to think it is done at the insistence of the President of the United States, although, as I have said, the inference must be drawn, because they agreed first on the 1-cent rate and after the conference was called together again the rate was increased to 2 cents.

I appreciate the fact that we are just coming to the close of the Congress. I am going to vote against the conference report. I am not going to try to tie it up longer. Every Senator has his responsibility. I never have believed in filibustering. In one or two instances only have I indulged in it.

I want to see those boys get their increased pay, but I dislike to see them get it in this way. I think it is all wrong. It is a bad precedent we are establishing, but I appreciate the sentiment of the Senate is to adopt this report; the sentiment of the House of Representatives was for this kind of legislation. On a motion to recommit the conference report in that body there were, I believe, only 82 or 62 votes, I have forgotten the number, for the proposition. I do not think, however, that that truly represented the sentiment of the House of Representatives, because many Members, as I previously said, would have voted to recommit the conference report or would have voted to reduce the rates on parcel post if the matter had been placed in a different form. There were only five or six votes, I think, against the conference report in the other House.

I do not wish to put my views against the views of everybody else, but I am against this report. I think it will work an injustice to a class of people who use the parcel post. I think it is the entering wedge to destroy the Parcel Post System in this country. I should much prefer, if we are going to raise this revenue, to have it raised in some other way that would have been more just and equitable; but having said what I have, and feeling as I do about this question, I am going to surrender the floor and vote against the adoption of the conference report.

SEVERAL SENATORS. Question!

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. WATSON. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. ERNST (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. STANLEY]. I transfer that pair to the senior Senator from Vermont [Mr. GREENE] and vote "yea."

Mr. GLASS (when his name was called). I have a general pair with the senior Senator from Connecticut [Mr. MCLEAN], which I transfer to the Senator from Mississippi [Mr. STEPHENS], and vote "nay."

Mr. NEELY (when his name was called). I am paired with the Senator from Illinois [Mr. MCKINLEY]. I am informed, however, that if he were present he would vote as I intend to vote. I will therefore vote. I vote "yea."

The roll call was concluded.

Mr. CARAWAY. I have a pair with the junior Senator from Missouri [Mr. SPENCER] on this matter, but I understand that if present he would vote as I intend to vote. Therefore I will vote. I vote "yea."

Mr. GERRY. I desire to state that the Senator from Oklahoma [Mr. OWEN] is necessarily absent, and is paired with the Senator from West Virginia [Mr. ELKINS].

Mr. FLETCHER (after having voted in the affirmative). I have a general pair with the Senator from Delaware [Mr. BALL], but I have been informed that if present the Senator from Delaware would vote as I have voted, and therefore I will allow my vote to stand.

The result was announced—yeas 69, nays 12, as follows:

YEAS—69

Ashurst	Fernald	Lenroot	Shipstead
Bayard	Ferris	McKellar	Shortridge
Bingham	Fess	McNary	Simmons
Broussard	Fletcher	Mayfield	Smith
Bursum	Frazier	Means	Smoot
Butler	Gerry	Metcalf	Stanfield
Cameron	Gooding	Moses	Sterling
Capper	Hale	Neely	Wadsworth
Caraway	Harrell	Oddie	Walsh, Mass.
Copeland	Heflin	Overman	Walsh, Mont.
Couzens	Johnson, Calif.	Pepper	Warren
Cummins	Johnson, Minn.	Phipps	Watson
Curtis	Jones, N. Mex.	Ralston	Weller
Dale	Jones, Wash.	Ransdell	Wheeler
Dill	Kendrick	Reed, Mo.	Willis
Edge	Keyes	Reed, Pa.	
Edwards	King	Robinson	
Ernst	Ladd	Sheppard	

NAYS—12

Borah	Dial	Harrison	Pittman
Brookhart	George	Howell	Swanson
Bruce	Glass	Norbeck	Underwood

NOT VOTING—14

Ball	La Follette	Owen	Stephens
Elkins	McKinley	Shields	Trammell
Greene	McLean	Spencer	
Harris	Norris	Stanley	

So the conference report was agreed to.

SAMUEL S. WEAVER

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 1573) for the relief of Samuel S. Weaver, which was, on page 1, line 5, to strike out "\$2,000" and insert "\$720."

Mr. BAYARD. I move that the Senate concur in the House amendment to the bill.

The motion was agreed to.

JAMES E. JENKINS

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 2879) for the relief of James E. Jenkins, which were, in line 6, to strike out "\$75.55" and insert "\$30.55," and in line 9, after the word "automobile," to add a period and strike out the remainder of the bill.

Mr. ODDIE. I move that the Senate concur in the House amendments to the bill.

The motion was agreed to.

ALAMO LAND & SUGAR CO.; R. B. CREAGER ET AL.

Mr. HEFLIN. I submit a resolution, which I ask may be read and agreed to. There will be no objection to it, I am sure. The PRESIDENT pro tempore. The resolution will be read. The resolution (S. Res. 348) was read, as follows:

Whereas during the first session of the Sixty-eighth Congress the Senate passed Senate Resolution No. 133 (the Heflin resolution) authorizing and directing the Committee on Post Offices and Post Roads of the Senate to investigate the use of the United States mails by the Alamo Land & Sugar Co., and its president, R. B. Creager, and other land companies in the lower Rio Grande Valley in the State of Texas; and

Whereas a subcommittee of the Committee on Post Offices and Post Roads did, in compliance with the authority so vested in it, conduct a partial investigation into the alleged fraudulent use of the mails by the land companies and individuals named in said resolution; and

Whereas the evidence submitted on behalf of the complainants warrants an investigation into the claims of the complainants that they were defrauded through the use of the mails in the sale of lands in the lower Rio Grande Valley in the State of Texas: Therefore be it

Resolved, That the testimony taken by the subcommittee, with a list of all witnesses examined, and also the witnesses whose names are hereto attached, with their post-office addresses, be transmitted to the Department of Justice, and that the Attorney General be requested to make a full investigation of the matters and things set out in said resolution and to take such action or actions in the courts as may appear to be warranted by the facts; and that the committee be discharged.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

Mr. SMOOT. If it does not lead to any discussion, I have no objection to it.

The resolution was considered by unanimous consent and agreed to.

MUSCLE SHOALS—CONFERENCE REPORT

Mr. KEYES submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 518) "to authorize and direct the Secretary of War, for national defense in time of war and for the production of fertilizers and other useful products in time of peace, to sell to Henry Ford, or a corporation to be incorporated by him, nitrate plant No. 1, at Sheffield, Ala.; nitrate plant No. 2, at Muscle Shoals, Ala.; Waco Quarry, near Russellville, Ala.; steam-power plant to be located and constructed at or near Lock and Dam No. 17 on the Black Warrior River, Ala., with right of way and transmission line to nitrate plant No. 2, Muscle Shoals, Ala.; and to lease to Henry Ford, or a corporation to be incorporated by him, Dam No. 2 and Dam No. 3 (as designated in H. Doc. No. 1262, 64th Cong., 1st sess.), including power stations when constructed as provided herein, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert:

"That the United States nitrogen fixation plants Nos. 1 and 2, located, respectively, at Sheffield, Ala., and Muscle Shoals, Ala., together with all real estate and buildings used in connection therewith; all tools, machinery, equipment, accessories, and materials thereunto belonging; all laboratories and plants used as auxiliaries thereto, the Waco limestone quarry in Alabama, and any others used as auxiliaries of said nitrogen plants Nos. 1 and 2; also Dams Nos. 2 and 3, located in the Tennessee River at Muscle Shoals, their power houses, their auxiliary steam plants and all of their hydroelectric and operating appurtenances, together with all machines, lands, and buildings now owned or hereafter acquired in connection therewith, are hereby dedicated and set apart to be used for national defense in time of war, and for the production of fertilizers and other useful products in time of peace.

"Sec. 2. That whenever, in the national defense, the United States shall require all or any part of the operating facilities and properties or renewals and additions thereto, described and enumerated in the foregoing paragraph of this act, for the production of materials necessary in the manufacture of explosives or other war materials, then the United States shall have the immediate right, upon five days' notice to any person or persons, corporation, or agent, in possession of, controlling, or operating said property under any claim or title whatsoever, to take over and operate the same in whole or in part, together with the use of all patented processes which the United States may need in the operation of said property for national defense.

"The foregoing clauses shall not be construed as modified, amended, or repealed by any of the subsequent sections or paragraphs of this act, or by indirection of any other act.

"Sec. 3. That in order that the United States may have at all times an adequate supply of nitrogen for the manufacture of powder and other explosives, whether said property is operated and controlled directly by the Government or its agents, lessees, or assigns, under any and all circumstances at least 10,000 tons the third year, 20,000 tons the fourth year, 30,000 tons the fifth year, and thereafter 40,000 tons of fixed nitrogen must be produced annually at nitrogen fixation plant No. 2 or its equivalent, and no lease, transfer, or assignment of said property shall be legal or binding on the United States unless such adequate annual production of fixed nitrogen is guaranteed in such lease, transfer, or assignment.

"Sec. 4. That since the production and manufacture of commercial fertilizers is the largest consumer of fixed nitrogen in time of peace, and its manufacture, sale, and distribution to farmers and other users, at fair prices and without excessive profits, in large quantities throughout the country is only second in importance to the national defense in time of war, the production of fixed nitrogen as provided for in this act shall be used, when not required for national defense, in the manufacture of commercial fertilizers. In order that the experiments heretofore ordered made may have a practical demonstration, and to carry out the purposes of this act, the lessees or the corporation shall manufacture nitrogen and other com-

mercial fertilizers, mixed or unmixed, and with or without filler, on the property hereinbefore enumerated, or at such other plant or plants near thereto as it may construct, using the most economic source of power available, with an annual production of these fertilizers that shall contain fixed nitrogen of at least 10,000 tons the third year, 20,000 tons the fourth year, 30,000 tons the fifth year, and 40,000 tons the sixth year.

"The farmers and other users of fertilizer shall be supplied with fertilizers at prices which shall not exceed 8 per cent above the fair annual cost of production.

"Sec. 5. That the President is hereby authorized and empowered to lease the properties, enumerated under section 1 of this act as a whole, with proper guaranties for the performance of the terms of the lease, for a period not to exceed 50 years: *Provided*, That said lease shall be made only to an American citizen, or citizens, or to an American owned, officered, and controlled corporation; and, if leased, in the event at any time the ownership in fact or the control of such corporation should directly or indirectly come into the hands of an alien or aliens, or into the hands of an alien owned or controlled corporation or organization, then said lease shall at once terminate and the properties be restored to the United States. The Attorney General of the United States is given full power and authority, and it is hereby made his duty to proceed at once in the courts for cancellation of said lease in the event said properties are found to be alien owned or controlled and are not voluntarily restored. The lessee shall be required and obligated to carry out in the production of nitrogen and the manufacture and sale of commercial fertilizer the purposes and terms enumerated in sections 1, 2, 3, and 4 of this act and such other terms not inconsistent therewith as may be agreed to in the lease contract. The lessee shall pay an annual rental for the use of said property an amount that shall not be less than 4 per cent on the total sum of money expended in the building and construction of Dam No. 2 and Dam No. 3, when completed, at Muscle Shoals and the purchase and emplacement of all works and machinery built or installed in connection therewith for the production of hydroelectric power: *Provided, however*, That no interest payment shall be required upon the cost of the locks at Dam No. 2 and Dam No. 3. The lease shall also provide the terms and conditions under which the lessee may sell and dispose of the surplus electric power created at said plants. The lease shall also provide for the protection of navigation at said Dam No. 2 and Dam No. 3, when completed, and the operation of the locks connected therewith. The lease contemplated in this section shall be made with the understanding that the United States shall complete and have ready for operation Dam No. 2, and the locks connected therewith, together with the plants and machinery for the production of electric power, and that after the lease is entered into the lessee shall maintain the property covered by the lease in good repair and working condition for the term of the contract.

"Time shall be made of the essence of the contract herein provided for, and failure on the part of the lessee to comply with the terms of said contract shall render the same terminable at the option of the United States: *Provided*, That written notice of the exercise of such option shall be served upon the lessee at any time within one year following any breach of said contract. Whereupon the property covered by said lease shall be turned over, without expense, to the United States upon demand, and said lessee shall be liable for any damage sustained by the United States as a consequence of said lease and the acts of said lessee.

"Sec. 6. That in the event the President is unable to make a lease under the terms of the power herein granted to him before the 1st day of December, 1925, then the United States shall maintain and operate said properties described in section 1, in compliance with the terms and conditions set forth in sections 1, 2, 3, and 4 of this act, and under the power and authority prescribed and granted in the following sections of this act.

"Sec. 7. That the President is hereby authorized and empowered to designate any five persons to act as an organization committee for the purpose of organizing a corporation under authority of, and for the purposes enumerated in, this act.

"ORGANIZATION

"The persons so designated shall, under their seals, make an organization certificate, which shall specifically state the name of the corporation to be organized, the place in which its principal office is to be located, the amount of capital stock, and the number of shares into which the same is divided, and the fact that the certificate is made to enable the corporation formed to avail itself of the advantages of this act. The name of the corporation shall be the Muscle Shoals Corporation.

"The said organization certificate shall be acknowledged before a judge of some court of record or notary public and shall be, together with acknowledgment thereof, authenticated by the seal of such notary or court, transmitted to the President, who shall file, record, and carefully preserve the same in his office. Upon the filing of such certificate with the President as aforesaid, the said corporation shall become a body corporate, and as such and in the name the Muscle Shoals Corporation, have power—

"First. To adopt and use a corporate seal;

"Second. To have succession for a period of 50 years from its organization, unless it is sooner dissolved by an act of Congress or unless its franchise becomes forfeited by some violation of law;

"Third. To make contracts, and no such contract shall extend beyond the period of the life of the corporation;

"Fourth. To sue and be sued, complain, and defend in any court of law or equity;

"Fifth. To appoint by its board of directors such officers and employees as are not otherwise provided for in this act; to define their duties, to fix their salaries, in its discretion to require bonds of any of them, and to fix the penalty thereof, and to dismiss at pleasure any of such officers or employees;

"Sixth. To prescribe by its board of directors by-laws not inconsistent with law regulating the manner in which its general business may be conducted and the privileges granted to it by law may be exercised and enjoyed;

"Seventh. To exercise by its board of directors or duly authorized officers or agents all powers specifically granted by the provisions of this act and such incidental powers as shall be necessary to carry on the business for which it is incorporated within the limitations prescribed by this act, but such corporation shall transact no business except such as is incidental and necessary preliminary to its organization until it has been authorized by the President to commence business under the provisions of this act.

"The corporation shall be conducted under the supervision and control of a board of directors consisting of five members, to be selected by the President. The directors so appointed shall hold office at the pleasure of the President. The President shall designate a chairman of the board, who shall have power to designate one of the others as vice chairman. The vice chairman shall perform the duties of chairman in the absence of the chairman. Not more than two of such directors shall be appointed from officers in the War Department.

"The board of directors shall perform the duties usually appertaining to the office of directors of private corporations and such other duties as are prescribed by law.

"POWERS OF THE CORPORATION

"The corporation shall have power—

"(a) To purchase, acquire, operate, and develop in the manner prescribed by this act and subject to the limitations and restrictions thereof the following properties owned by the United States:

"1. United States nitrogen-fixation plants Nos. 1 and 2, located, respectively, at Sheffield, Ala., and Muscle Shoals, Ala., together with (a) all real estate used in connection therewith; (b) all tools, machinery, equipment, accessories, and materials thereunto belonging; (c) all laboratories and plants used as auxiliaries thereto, the Waco limestone quarry in Alabama, Dam No. 2 at Muscle Shoals and the hydroelectric power plant connected therewith, together with the steam plants used as auxiliaries of the United States nitrogen-fixation plants Nos. 1 and 2, together with all other property described in section 1 of this act.

"2. To construct, purchase, maintain, and operate all such buildings, plants, and machinery as may be necessary for the production, manufacture, sale, and distribution of fixed nitrogen and other forms of commercial fertilizer.

"3. Any other plants or parts of plant, equipment, accessories, or other properties belonging to the United States, which are under the direct control of the President or of the War Department, and which the President may deem it advisable to transfer, convey, or deliver to said corporation for use in connection with any of the purposes of this act or for any purpose incidental thereto.

"(b) To acquire, establish, maintain, and operate such other laboratories and experimental plants as may be deemed necessary or advisable to assist it in furnishing to the United States Government and others, at all times, nitrogen products for military or other purposes in the most economical manner and of the highest standard of efficiency.

"(c) To sell to the United States such nitrogen products as may be manufactured by said corporation for military or other purposes.

"(d) To sell any or all of its products not required by the United States to producers or users of fertilizers or to others: *Provided*, That in the sale of such products not required by the United States Government preference shall be given to those persons engaged in agriculture: *Provided further*, That if such products are sold to others than users of fertilizers the corporation shall require as a condition of such sale, the consent of the purchaser to the regulation by the corporation of the prices to be charged users for the product so purchased or any product of which the product purchased from the corporation shall form an ingredient.

"(e) The operation of the hydroelectric power plant and steam power plants at Muscle Shoals and the use and sale of the electric power to be developed therefrom that is not required to carry out the terms imposed by sections 1, 2, 3, and 4 of this act.

"(f) To enter into such agreements and reciprocal relations with others as may be deemed necessary or desirable to facilitate the production and sale of nitrogen products on the most scientific and economic basis.

"(g) To purchase, lease, or otherwise acquire United States or foreign patents and processes or the right to use such patents or processes.

"(h) To obtain from the United States or from foreign governments patents for discoveries or inventions of its officers or employees as a condition of their employment to enter into agreements with the company that the patents for all such discoveries or inventions shall be and become in whole or in part the property of the corporation.

"(i) To assume any or all obligations of the United States entered into in connection with the construction, maintenance, and operation of the plants to be transferred to the corporation under the provisions of this act.

"(j) To deposit its funds in any Federal reserve bank, or with any member bank of the Federal reserve system.

"(k) To sell and export any of its surplus products not purchased by the United States or by persons, firms, or corporations within the United States.

"(l) To invest any surplus of available funds not immediately used for the operation, construction, or maintenance of its plants or properties in United States bonds or other securities issued by the United States.

"(m) To lease or purchase such buildings or properties as may be deemed necessary or advisable for the administration of the affairs of the corporation or for carrying out the purposes of this act; and with the approval of the President to lease to other persons, firms, or corporations, or to enter into agreements with others for the operation of such properties not used or needed for the purposes named herein. In the operation, maintenance, and development of the plants purchased or acquired under this act the corporation shall be free from the limitations or restrictions imposed by the act of June 3, 1916, and shall be subject only to the limitations and restrictions of this act.

"CAPITAL STOCK AND BONDS

"The capital stock of the corporation shall consist of 100 shares of common stock of no par value. The corporation shall also issue an amount of 20-year bonds bearing interest at the rate not exceeding 5 per cent per annum which shall be a first lien on the property of the corporation and in an amount not to exceed \$50,000,000, to be sold from time to time as needed to carry out the purpose of this act: *Provided*, That the principal and interest of said bonds shall be paid by the Secretary of the Treasury out of funds in the Treasury not otherwise appropriated upon default at any time in payment as herein provided by the corporation. The terms for the sale of said bonds shall be approved by the President.

"In exchange for the properties purchased or acquired from the United States and from time to time transferred, conveyed, or delivered to the corporation by the President or the Secretary of War, and for all unexpended balances now under the control of the Secretary of War and applicable to the nitrate plants at or near Muscle Shoals, Ala., the corporation shall cause to be executed and delivered to the President a certificate for all of the common stock of the corporation. The certificate shall be evidence of the ownership by the United States of all stocks of the corporation.

"In consideration of the issuance of such common stock to the President, the President is authorized and empowered to transfer, convey, and deliver to the corporation all of the real estate, buildings, tools, equipment, supplies, and other properties, belonging to, used by, or appertaining to the plants and properties to be acquired by the corporation under the terms of this act, and to transfer, convey, and deliver as and when he may deem it advisable any other equipment, acces-

series, plants, or parts of plants, or other property referred to in this act, and which the corporation is authorized to acquire or purchase from the United States under its provisions.

"DISTRIBUTION OF EARNINGS"

"All net earnings of the corporation not required for its organization, operation, and development shall be used—

"(a) To pay interest on the bonds and create a fund for their payment;

"(b) To develop and improve its plants and equipment;

"(c) To create a reserve or surplus fund until such fund amounts to \$2,500,000;

"(d) The remainder to be paid as dividends on the stock into the Treasury of the United States as miscellaneous receipts.

"MISCELLANEOUS"

"The corporation shall not have power to mortgage or pledge its assets, or to issue bonds secured by any of its properties, except as hereinbefore provided.

"The United States shall not be liable for any debts, obligations, or other liabilities of the corporation, except the principal and interest of the bond issue herein provided for.

"The corporation and all of its assets shall be deemed and held to be instrumentalities of the United States, and as such they and the income derived therefrom shall be exempt from Federal, State, and local taxation. The directors, officers, attorneys, experts, assistants, clerks, agents, and other employees of the corporation shall not be officers or employees of the United States within the meaning of any statutes of the United States, and the property and moneys belonging to said corporation, acquired from the United States or from others, shall not be deemed to be the property and money of the United States within the meaning of any statutes of the United States.

"The accounts of the corporation shall be audited under the regulations to be prescribed by the President, who shall annually report to Congress a detailed statement of the fiscal operations of said corporation.

"Sec. 8. That the President is hereby authorized to complete the construction of Dam No. 3 and the necessary approach to the locks in Dam No. 2 in the Tennessee River at or near Muscle Shoals, Alabama, in accordance with report submitted in House Document No. 1262, Sixty-fourth Congress, first session: *Provided*, That the President may, in his discretion, make such modifications in the plans presented in such report as he may deem advisable in the interest of power or navigation, and the President is hereby authorized to include Dam No. 3 when completed in the same lease with Dam No. 2, and, except as otherwise indicated, said lease shall be under the same terms as are herein specified for said Dam No. 2.

"Sec. 9. The surplus power not required under the terms of this act for the manufacture of nitrogen, fertilizer, or materials which are used or included in the manufacture of mixed fertilizer shall be sold for distribution.

"Sec. 10. That as a condition of any lease, entered into under the provisions of this act, every lessee hereunder which is a public-service corporation, or a person, association, or corporation developing, transmitting, or distributing power under the lessee either immediately or otherwise, for sale or use in public service, shall abide by such reasonable regulation of the services rendered to customers or consumers of power, and of rates and charges of payment thereof, as may from time to time be prescribed by any duly constituted agency of the State in which the service is rendered or the rate charged. That in case of the development, transmission, or distribution, or use in public service of power by any lessee hereunder or by its customer engaged in public service within a State which has not authorized and empowered a commission or other agency or agencies within said State to regulate and control the services to be rendered by such lessee or by its customer engaged in public service, or the rates and charges of payment thereof, or the amount or character of securities to be issued by any of said parties, it is agreed as a condition of such lease that jurisdiction is hereby conferred upon the commission created by the act of Congress approved June 10, 1920, upon complaint of any person aggrieved or upon its initiative, to exercise such regulation and control until such time as the State shall have provided a commission or other authority for such regulation and control: *Provided*, That the jurisdiction of the commission shall cease and determine as to each specific matter of regulation and control prescribed in this section as soon as the State shall have provided a commission or other authority for the regulation and control of that specific matter.

"Sec. 11. That when said power or any part thereof shall enter into interstate or foreign commerce the rates charged and the service rendered by any such lessee, or by any subsidiary corporation, the stock of which is owned or controlled directly or indirectly by such lessee, or by any person, corporation, or association purchasing power from such lessee for sale and distribution or use in public service shall be reasonable, nondiscriminatory, and just to the customer, and all unreasonable, discriminatory, and unjust rates or services are hereby prohibited and declared to be unlawful; and whenever any of the States directly concerned has not provided a commission or other authority to enforce the requirements of this section within such State or to regulate and control the amount and character of securities to be issued by any of such parties or such States are unable to agree through their properly constituted authorities on the services to be rendered or on the rates or charges of payment therefor or on the amount or character of securities to be issued by any of said parties, jurisdiction is hereby conferred upon the said commission, upon complaint of any person aggrieved, upon the request of any State concerned, or upon its own initiative, to enforce the provisions of this section, to regulate and control so much of the services rendered, and of the rates and charges of payment therefor as constitute interstate or foreign commerce and to regulate the issuance of securities by the parties included within this section, and securities issued by the lessee subject to such regulations shall be allowed only for the bona fide purpose of financing and conducting the business of such lessee.

"The administration of the provisions of this section, so far as applicable, shall be according to the procedure and practice in fixing and regulating the rates, charges, and practices of railroad companies as provided for in the act to regulate commerce, approved February 4, 1887, as amended, and that the parties subject to such regulation shall have the same rights of hearing, defense, and review as said companies in such cases.

"In any valuation hereunder for purposes of rate making no value shall be claimed or allowed for the rights granted by this act or under any lease executed thereunder.

"Sec. 12. If any clause, sentence, paragraph, or part of this act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

"Sec. 13. That in order that farmers and other users of fertilizer may be supplied with fertilizers at a maximum net profit not exceeding 8 per cent annually upon the fair annual cost of production, the lessee shall agree to the creation of a board of not more than nine (9) voting members, chosen as follows: The three (3) leading representative farm organizations, national in fact, namely the American Farm Bureau Federation, the National Grange, the Farmers' Educational and Cooperative Union of America, or their successor or successors (said successor or successors to be determined, in case of controversy, by the Secretary of Agriculture), shall each designate not more than seven (7) candidates for said board in the first instance and thereafter, for succession in office, not more than three (3) candidates. The President shall select for membership on this board not more than seven (7) of these candidates, selected to give representation to each of the above-mentioned organizations, and there shall be two voting members of said board selected by the lessee: *Provided*, That not more than one shall be selected by the President from the same State: *Provided further*, That if either or any of said farm organizations or its or their successors by reason of the expiration of its or their charter or ceasing to function or failing to maintain its organization or for any cause or reason should decline, fail, or neglect to make such designations, then the Secretary of Agriculture shall make such designation or designations for such or all of said organizations as may so decline, fail, or neglect to make such designation; and if such designation is made by the Secretary of Agriculture for only one or two of said organizations, then such designation shall be made so as to give the remaining organization or organizations the same right and in the same proportion to designate candidates for said board as in the first instance and just as though all of said organizations were making such designation: *Provided, however*, That a failure to make designations at any one time shall not thereafter deprive any organization of its original rights under this section: *And provided further*, That the terms of office of the first seven candidates selected by the President on the designation of said farm organizations shall be as follows: Two for a period of two years, two for a period of four years, and the remaining three for a period of six years, and thereafter the

nominations for membership on said board made by the President, except for unexpired terms, shall be for six years each. None of the members of said board shall draw compensation from the Government, except that any which may be nominated on the designation of the Secretary of Agriculture under the provisions hereof shall receive from the Government their actual expenses while engaged in work on said board. A representative of the Bureau of Markets, Department of Agriculture, or its legal successor, to be appointed by the President, shall also be a member of the board serving in an advisory capacity without the right to vote. The said board shall employ a competent and disinterested firm of certified public accountants satisfactory to the lessee, which accountants shall determine for the said board what has been the cost of manufacture and sale of fertilizer products and the price which has been charged therefor. The said board shall have authority if necessary, for the purpose of limiting the annual profit to 8 per cent as aforesaid, to regulate the price at which said fertilizers may be sold by the lessee. The said firm of certified public accountants for these purposes shall have access to the books and records of the company at any reasonable time. In order that such fertilizer products may be fairly distributed and economically purchased by farmers and other users thereof, the said board shall determine the equitable territorial distribution of the same and may in its discretion make reasonable regulation for the sale of all or a portion of such products by the company to farmers, their agencies or organizations.

"SEC. 14. That no lease made under the terms of this act shall be transferred without the approval of the President of the United States.

"SEC. 15. That all laws and parts of laws in conflict herewith be, and the same are hereby, repealed."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title and agree to the same.

HENRY W. KEYES,

W. B. MCKINLEY,

JOHN B. KENDRICK,

Managers on the part of the Senate.

JOHN C. MCKENZIE,

JOHN M. MORIN,

PERCY E. QUIN,

Managers on the part of the House.

Mr. KEYES. I will state that it is not my intention to ask for the consideration of the report to-day, but it is my intention to ask for its consideration at the earliest possible moment.

Mr. McKELLAR. May I ask whether it was not agreed by unanimous consent that the report should be printed in parallel columns with the bill as it passed the Senate.

Mr. KEYES. That was agreed to.

Mr. HEFLIN. The bill is to be printed in parallel columns to-night and is to be back in the Senate in the morning?

The PRESIDENT pro tempore. The Senator from Nebraska [Mr. NORRIS] made the request and it was acceded to.

INTERIOR DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT

Mr. SMOOT. I ask unanimous consent that the conference report on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10020) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1926, and for other purposes, be now taken up for consideration.

The PRESIDENT pro tempore. The Senator from Utah asks unanimous consent that the Senate proceed to the consideration of the conference report on House bill 10020, being the Interior Department appropriation bill. Is there objection?

Mr. HARRISON. I ask if the Senator from Utah will not permit me to have disposed of a motion which I have entered for the reconsideration of the votes by which a bill was ordered to a third reading and passed on yesterday immediately after it was reported from the committee. I should like to have that action reconsidered and the bill placed on the calendar.

Mr. SMOOT. Will it lead to any discussion?

Mr. HARRISON. I can not see why it should do so, but I do not know. However, I should hope not.

Mr. SMOOT. I should like first to have my request granted for the consideration of the conference report which I have named.

Mr. HARRISON. That is right; I do not want to interfere with that.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Utah?

Mr. JONES of Washington. Mr. President, I wish to ask the Senator from Pennsylvania [Mr. PEPPER] how long he thinks it will take to dispose of the banking bill?

Mr. PEPPER. At the rate of progress made with the banking bill since we last discussed it, Mr. President, I think it will take considerable time, but if we can get the bill up, I really believe that the committee amendments and the individual amendments ought not to take more than two hours.

Mr. JONES of Washington. Can the Senator get an agreement as to the consideration of the bill, for instance, that after a certain time in the consideration of amendments the five-minute rule shall apply, or something of that sort?

Mr. PEPPER. Mr. President, I have not felt sufficiently certain that Senators had finished their more lengthy debate on the bill to make it worth while for me to prefer such a request, but—

Mr. CURTIS. Mr. President, will the Senator from Pennsylvania permit me to interrupt him?

Mr. PEPPER. I yield to the Senator.

Mr. CURTIS. I talked to a Senator a few minutes ago who stated that he could not agree to limiting debate on the bill to-night.

Mr. JONES of Washington. Mr. President—

Mr. KING. May I say to the Senator from Washington, if I may be recognized and if the Senator from Pennsylvania will yield, that we have had no opportunity for the consideration of the banking bill to-day; and I am sure the request of the senior Senator from Utah [Mr. SMOOT] to take up the conference report ought not to be included in any way with the banking bill, for they are not related.

Mr. JONES of Washington. I think, Mr. President, that this bill—

The PRESIDENT pro tempore. The question is, Will the Senate grant the unanimous consent asked for by the senior Senator from Utah?

Mr. JONES of Washington. I object, Mr. President.

The PRESIDENT pro tempore. Objection is made.

Mr. SMOOT. Then, I move that the Senate proceed to the consideration of the conference report on House bill 10020, being the Interior Department appropriation bill.

Mr. PEPPER. Mr. President, if this motion should carry, I give notice that upon the disposition of the matter which the Senator from Utah has in charge I shall move to reinstate House bill 8887, which is now the unfinished business before the Senate.

The PRESIDENT pro tempore. The Senator from Utah moves that the Senate proceed to the consideration of the conference report.

Mr. JONES of Washington. Mr. President, as I understand, this motion is debatable. It is after 2 o'clock.

The PRESIDENT pro tempore. The Chair is inclined to believe that the motion is debatable.

Mr. JONES of Washington. Mr. President, I desire to give notice, in the face of the notice given by the Senator from Pennsylvania [Mr. PEPPER], that upon the disposition of this conference report, if it is disposed of, I shall move to take up the river and harbor bill.

Now, Mr. President, I desire to discuss this motion for a little while. The Senator from Montana [Mr. WALSH] had to go to his office for a moment. He desired to discuss the motion to take up this report, and I desire to say just a few words with reference to it.

I recognize the great amount of work that the Senator from Utah has put on this bill, and the great amount of time he has had to give to it in connection with the conference report; and I regret very much that I feel that I must oppose the adoption of the report. I am satisfied, however, that if Senators will examine the report and acquaint themselves with the questions that are involved in it and the consequences that are likely to come from its adoption, they will realize the importance of the questions that are presented, and will also appreciate what leads some of us to oppose the adoption of the report, as we do.

This is especially true of the western Senators. Those who have kept themselves informed with reference to irrigation development in the country, and the efforts that were necessary in beginning this matter, realize the great difficulties that we had in securing the legislation that started this work.

The PRESIDENT pro tempore. May the Chair recall a statement just made? In the judgment of the Chair, the motion is not debatable. Ordinarily, a motion to proceed to the consideration of a bill is debatable; but Rule XXVII provides that if the question of the consideration of a conference report is raised, it shall be decided without debate.

Mr. DILL. Mr. President, I make the point of no quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ball	Ernst	King	Shields
Bayard	Fernald	Ladd	Shipstead
Bingham	Fess	McKellar	Shortridge
Borah	Fletcher	McNary	Simmons
Brookhart	Frazier	Mayfield	Smith
Broussard	George	Means	Smoot
Bruce	Gerry	Metcalf	Stanfield
Bursum	Glass	Moses	Stephens
Butler	Gooding	Norbeck	Sterling
Capper	Hale	Oddie	Swanson
Caraway	Harrell	Overman	Trammell
Copeland	Harrison	Pepper	Underwood
Couzens	Heflin	Phipps	Wadsworth
Cummins	Howell	Pittman	Walsh, Mass.
Curtis	Johnson, Calif.	Ralston	Walsh, Mont.
Dale	Johnson, Minn.	Ransdell	Warren
Dial	Jones, N. Mex.	Reed, Mo.	Watson
Dill	Jones, Wash.	Reed, Pa.	Weller
Edge	Kendrick	Robinson	Wheeler
Edwards	Keyes	Sheppard	Willis

The PRESIDENT pro tempore. Eighty Senators have answered to the roll call. There is a quorum present.

The rule to which the Chair referred a moment ago is Rule XXVII, and it reads as follows. The Chair is anxious that the Senate shall understand the ruling of the Chair:

The presentation of reports of committees of conference shall always be in order, except when the Journal is being read or a question of order or a motion to adjourn is pending, or while the Senate is dividing; and when received the question of proceeding to the consideration of the report, if raised, shall be immediately put, and shall be determined without debate.

The question is upon the motion of the Senator from Utah [Mr. Smoot] to proceed to the consideration of the conference report.

The motion was agreed to; and the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10020) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1926, and for other purposes.

Mr. WALSH of Montana obtained the floor.

Mr. COUZENS. Mr. President, will the Senator yield to me?

Mr. WALSH of Montana. I yield to the Senator from Michigan.

INVESTIGATION OF INTERNAL REVENUE BUREAU

Mr. COUZENS. I should like to ask unanimous consent, out of order, for the immediate consideration of Senate Resolution 333.

The PRESIDENT pro tempore. The Secretary will read the resolution for information.

Mr. SMOOT. It will lead to no debate, I suppose?

Mr. COUZENS. No.

The reading clerk read Senate Resolution 333, submitted by Mr. COUZENS on the 9th instant, which had been reported from the Committee to Audit and Control the Contingent Expenses of the Senate with amendments.

Mr. WARREN. Let us have the amendments read.

The PRESIDENT pro tempore. The Senator from Michigan asks unanimous consent for the immediate consideration of the resolution.

Mr. MOSES. Let us hear the amendments.

Mr. WARREN. I desire to have the amendments read.

The PRESIDENT pro tempore. The Secretary will state the amendments of the committee.

The amendments were, on page 2, line 2, after "1925," to strike out "and if deemed advisable by the committee to sit and hold hearings in the interim between the adjournment of the Sixty-eighth Congress and the convening of the first regular session of the Sixty-ninth Congress," and on the same page, line 8, after the word "resolution," to insert "and said committee shall make its report at the next regular session of Congress: *Provided, however,* That the representatives of this committee shall be withdrawn from the offices of the bureau by June 1, 1925, and hearings shall cease on or before that date and no original files shall be withdrawn after said date; but any papers or files requested by the agents of the committee on or before May 15, 1925, shall be available to the agents of the committee for examination for two weeks after the same are furnished"; so as to make the resolution read:

Whereas the select committee of the Senate appointed under authority of Senate Resolutions 168 and 211 of the Sixty-eighth Congress to investigate the Bureau of Internal Revenue was instructed to report its findings; and

Whereas the committee has not completed a thorough inquiry and will be unable to do so before March 4, 1925: Therefore be it

Resolved, That the select committee of the Senate authorized in Senate Resolutions 168 and 211 of the Sixty-eighth Congress to investigate the Bureau of Internal Revenue and appointed under these resolutions is hereby authorized and directed to continue its work after March 4, 1925, and that all authority granted in Senate Resolutions 168 and 211 of the Sixty-eighth Congress shall be and is continued under this resolution, and said committee shall make its report at the next regular session of Congress: *Provided, however,* That the representatives of this committee shall be withdrawn from the offices of the bureau by June 1, 1925, and hearings shall cease on or before that date and no original files shall be withdrawn after said date; but any papers or files requested by the agents of the committee on or before May 15, 1925, shall be available to the agents of the committee for examination for two weeks after the same are furnished.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDENT pro tempore. The question is on agreeing to the amendments of the committee.

The amendments were agreed to.

The resolution as amended was agreed to.

INTERIOR DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10020) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1926, and for other purposes.

Mr. WALSH of Montana. Mr. President, in elaboration of what I have said concerning this report earlier in the day, I desire to read from it a particular feature which has been found objectionable by myself and other Senators.

The bill makes an appropriation of \$611,000 for the continuance of construction of the Sun River, Mont., irrigation project. After having so provided, a condition is attached, as follows:

Provided further, That no part of the sum hereby appropriated shall be expended for the construction of new canals or for the extension of the present canal system for the irrigation of lands outside of the 40,000 acres for the irrigation of which a canal system is now provided until a contract or contracts shall have been executed between the United States and the State of Montana, whereby the State shall assume the duty and responsibility of promoting the development and settlement of the project after completion, securing, selecting, and financing of settlers to enable the purchase of the required livestock, equipment, and supplies and the improvement of the lands to render them habitable and productive. The State shall provide the funds necessary for this purpose and shall conduct operations in a manner satisfactory to the Secretary of the Interior: *Provided further*, That the operation and maintenance charges on account of land in this project shall be paid annually in advance not later than March 1, no charge being made for operation and maintenance for the first year after said public notice.

It will be observed that the project, which originally contemplated the irrigation of something like 110,000 acres, as my recollection now serves me, has progressed so far as that canals have already been provided for the irrigation of 40,000 acres, and the conference report proposes that no part of this appropriation shall be expended for the reclamation of any increased acreage, for the construction of canals for the irrigation of more than 40,000 acres, for which canals have already been provided, unless the State shall enter into a contract with the United States for the financing of the settlers who go upon the land, and who are to be financed by the States; more than that, not until a contract shall have been entered into between the Government of the United States and the State of Montana by which the State of Montana is to furnish all the money to finance the settlers, but the settlers must do the work which they are called upon to do in a way that is satisfactory to the Secretary of the Interior. The Government will not undertake to finance the settlers in their operations at all, but the State having provided the funds, the Secretary of the Interior is to tell the settlers how they are to expend the money advanced to them by the State.

That is, however, a matter of detail. The principle is practically this, that no money shall hereafter be appropriated for a new irrigation project, or for the extension of any project now under way, even in accordance with the original plan, unless the State shall come forward with a contract entered into by the Government of the United States by which it is to finance the settlers who are to go upon the land.

Mr. BORAH. Mr. President, what is meant there by financing the settlers? To what extent are they to be financed?

Mr. WALSH of Montana. The language is as follows:

Provided further, That no part of the sum hereby appropriated shall be expended for the construction of new canals or for the extension of the present canal system for the irrigation of lands outside of the 40,000 acres for the irrigation of which a canal system is now provided until a contract or contracts shall have been executed between the United States and the State of Montana, whereby the State shall assume the duty and responsibility of promoting the development and settlement of the project after completion, securing, selecting, and financing of settlers to enable the purchase of the required livestock, equipment, and supplies and the improvement of the lands to render them habitable and productive.

Mr. BORAH. In other words, the State would have to enter into a contract to furnish means by which the settlers could build their homes, buy livestock, and purchase farm implements to cultivate their farms, and so forth?

Mr. WALSH of Montana. And whatever other expense is attendant upon the development of the lands, and making them irrigable and productive. The Senator, of course, understands that a considerable amount of work is necessary.

Mr. BORAH. I do not suppose there is a western State which would be willing to enter upon such an arrangement.

Mr. WALSH of Montana. I do not know of any. Certainly, our State would not. It is not in a financial condition to do so.

The Senator has sensed the situation. It really means there will not be any more appropriations for irrigation projects.

Mr. BORAH. It means the end of the irrigation business.

Mr. WALSH of Montana. That is the purpose. That that is what it means is disclosed indisputably by the effort that has been made to modify in some form this provision which has thus been inserted in the bill.

I proposed that we should stop here in the bill—

Provided, That no part of the sum hereby appropriated shall be expended for the construction of new canals, for the extension of the present canal system, for the irrigation of lands, outside of the 40,000 acres, for the irrigation of which a canal system is now provided.

I agreed to stop right there; not to spend a dollar of this money beyond that. Whether the State of Montana was willing to enter into such a contract or was not willing, I agreed that no part of the money should be expended beyond that. As a matter of fact, as I stated this morning, the provision has no practical importance to us, because it is not intended that a dollar shall be expended for the construction of canals to irrigate areas outside of the 40,000 acres.

The work outlined for which this appropriation is to be used does not embrace the construction of canals to irrigate areas beyond the 40,000 acres for which canals have already been provided. The work, outside of incidentals of one kind or another, is the construction of a reservoir for the storage of water for the continuous irrigation of this 40,000 acres, so that, as a practical proposition, it has no meaning to us. We do not intend to spend a dollar for that purpose. That is not why I am opposing this. I am simply opposing the introduction of this principle into the irrigation policy, and it is a matter of just exactly as deep concern to every Senator from the West as it is to me. I have no doubt that this is the first drive against the whole reclamation system.

I agreed, further, that if that were not satisfactory a provision might be inserted substantially to this effect: "Nothing herein contained shall be construed or held to be the announcement by the Congress of a policy or principle affecting future appropriations for reclamation purposes." But that was rejected. In other words, there is no significance to this unless it be to declare a policy of the Congress of the United States.

I understand perfectly well a feature I desire to comment upon, that this condition is attached only to the two appropriations named, namely, the Sun River project in Montana and the Kittitas project in the State of Washington. But remember how these things come about, and remember that the next time we get an Interior Department appropriation bill before us it is altogether probable that that very principle, if it is now announced by the Congress, will be extended to embrace perhaps two or three other projects.

Undoubtedly it will be denied as to these two. Having secured the announcement of the principle next time with respect to two of the other projects, it will be extended and extended until it embraces it all. Why not? It will be said that if this policy is established with reference to the State of Montana and the State of Washington, and the Congress has given its approval to it, why should it not be extended throughout the entire Western States in which the projects are carried on?

Mr. JONES of New Mexico. Mr. President—

Mr. WALSH of Montana. I yield to the Senator from New Mexico.

Mr. JONES of New Mexico. Has any argument been presented as to why these two projects should have been singled out for this kind of legislation?

Mr. WALSH of Montana. Absolutely none whatever, so far as the record shows.

Mr. SMOOT. The Senator ought to state that they are the only two projects which were put in the bill in the Senate that had incorporated in them the words referred to by the Senator.

Mr. WALSH of Montana. Yes; that is what the Senator from New Mexico inquired about. He asked why these two projects were singled out by anybody.

Mr. SMOOT. I thought the Senator had reference to the conference report.

Mr. WALSH of Montana. Oh, no. Considerably more was in the bill as it came from the House. There was a very long provision, substantially the same as to both, but I read from the Sun River provision:

Sun River project, Montana: For operation and maintenance, continuation of construction, and incidental operations, \$611,000: Provided, That no part of this appropriation shall be used for construction purposes until a contract or contracts in form approved by the Secretary of the Interior shall have been made with an irrigation district or with irrigation districts organized under State law, providing for payment by the district or districts as hereinafter provided. The Secretary of the Interior shall by public notice announce the date when water is available under the project, and the amount of the construction costs charged against each district shall be payable in annual installments, the first installment to be 5 per cent of the total charge and be due and payable on the 1st day of December of the third year following the date of said public notice, the remainder of the construction charge, with interest on deferred amounts from date of said public notice at 4 per cent per annum, to be amortized by payment on each December 1 thereafter of 5 per cent of said remainder for 40 years, or until the obligation is paid in full.

In the first place, the principle was introduced in the bill as it came to us from the House of imposing interest upon the deferred payments. Then it goes on to provide:

Provided further, That no part of the sum provided for herein shall be expended for construction on account of any lands in private ownership until an appropriate repayment contract in accordance with the terms of this act and, in form approved by the Secretary of the Interior, shall have been properly executed by a district organized under State law, embracing the lands in public or private ownership irrigable under the project, and the execution thereof shall have been confirmed by a decree of a court of competent jurisdiction, which contract, among other things, shall contain an appraisal approved by the Secretary of the Interior, showing the present actual bona fide value of all such irrigable lands, fixed without reference to the proposed construction, and shall provide that until one-half the construction charges against said lands shall have been fully paid no sale of any such lands shall be valid unless and until the purchase price involved in such sale is approved by the Secretary of the Interior—

A man could not even sell out without getting the approval of the Secretary of the Interior—

and shall also provide that upon proof of fraudulent representation as to the true consideration involved in any such sale the Secretary of the Interior is authorized to cancel the water right attaching to the land involved in such fraudulent sale; and all public lands irrigable under the project shall be entered subject to the conditions of this section, which shall be applied thereto.

Then follows the additional provision that the State shall enter into a contract to finance the settlers who undertake it. The interest proposition has gone out, leaving the proposition that the contract must be with an irrigation district to which no one takes exception at all, and then the other provision concerning the financing of it by the State is also left in the conference report.

I realize very well that many Senators will say to themselves, if not publicly on the floor, "Oh, well, this is not of any immediate consequence to you. It does not make any difference to you practically either one way or the other. Let it go and we will fight the thing out when it comes up again." Now, let us see how that will operate. Unquestionably the member of the Appropriations Committee of the House who seems to be all-powerful in connection with this matter will, when he frames his bill next year, put in every one of the provisions that he put in this year with respect to these particular projects, and in all probability with respect to some

other western projects. Apparently the other end of the Capitol operates in accordance with his desires and wishes in these matters, so much so that when the matter came up on the floor of the House there was not a word said by anybody. It came over here, as the next bill will, and the Committee on Appropriations of this body will strike it out. Undoubtedly that is the policy here. It will then go to conference, just as this one went to a conference committee, and it will come back from conference committee just as this one comes back from the committee, and there never will be an opportunity except upon the report of a conference committee even to debate this radical departure from the irrigation policy that has been pursued by Congress for over 20 years. So we might as well meet it at this time as next year. It will come up in exactly the same way.

I might also say in this connection that I have caused an examination to be made of the hearings upon the bill before the House and I have been unable to find in those hearings even a word said in explanation or in answer to the question addressed to me by the Senator from New Mexico as to why these two projects should be singled out, or a word of justification uttered, either before the committee or upon the floor of the House, for this radical revolution of our irrigation projects.

Mr. JONES of New Mexico. May I inquire if the Senator knows who is the author of that remarkable proposition?

Mr. WALSH of Montana. Of course I can only say that it is my information that it is Representative CRAMTON of the House, who appears to be in charge of the appropriations for the Interior Department and who, I may say, is wedded to the principles announced in this provision.

Mr. JONES of New Mexico. He comes from a State where there is no irrigation project of any kind?

Mr. WALSH of Montana. From the State of Michigan, I am told.

Mr. JONES of New Mexico. And there none such are needed.

Mr. WALSH of Montana. I invite attention to the fact that the incorporation of this provision in connection with the two items is entirely inconsistent. There is no more reason why it should be attached to these than to many other projects for which appropriations are made in the bill.

Starting with the State of Arizona there is the Salt River project. That is for examination, but the Yuma project is for operation and maintenance, as follows:

Yuma project, Arizona-California: For operation and maintenance, continuation of construction, and incidental operations, \$432,000: *Provided*, That the unexpended balance of the \$250,000 authorized in the act approved June 5, 1924, for the construction of a hydroelectric power plant at the siphon drop on the main canal is reappropriated for the fiscal year 1926 and made available for the same purpose and under the same conditions as provided in said act.

It will be observed that there is no restriction upon the utilization of any part of the appropriation for the construction of new canals. The department is at perfect liberty to use the whole of that appropriation, or any part of it, for new construction, or, I should say, for the extension of present existing canal systems, if it sees fit to do so. But no such condition is imposed by the bill upon the State of Arizona.

Next we have the Orland project in California. Perhaps my neighbor, the Senator from Arizona [Mr. ASHBURST] will be able to explain how it was that he succeeded in getting such favored treatment for his State while the State of Montana and the State of Washington are made the victims of this new departure in our irrigation policy. But it appears that in some way the State of California is a favored State, for I see that an appropriation is made of \$34,000 for the Orland project, among other things, for "continuation of construction." All of it may be used for construction of new canals if the department sees fit to so devote the money. So the Grand Valley project in the State of Colorado gets an appropriation of \$258,000, among other things, "for continuation of construction," without any condition whatever. The Uncompahgre project in the State of Colorado gets \$163,000 without any restrictions. The Boise project gets \$139,000, with some conditions attached, not of this character at all, and probably not at all objectionable to the people of the State of Idaho. I read them, as follows:

Provided, That the expenditure for drainage shall not exceed the amount paid by the water users pursuant to the provisions of the Boise public notice dated February 15, 1921, except for drainage in irrigation districts formed under State laws and upon the execution of agreements for the repayment to the United States of the costs thereof.

Then we come to the King Hill project in the State of Idaho, which gets \$35,000, among other things, for "continuation of

construction," and there is no condition. The Minnedoka project in the State of Idaho gets \$797,000, including, among other things, "continuation of construction," and those conditions are not attached.

Even the Huntley project in my own State gets an appropriation of \$118,000, and the Milk River project in the State of Montana gets \$76,000, including a part for "continuation of construction," without any conditions at all. The Sun River project and the Milk River project are in the same kind of territory. They are almost adjacent to each other. There is not more than 50 miles distance between the extreme limits of both the projects, and the character of the country is exactly the same. Upon what kind of argument can it be insisted that the appropriation should not be expended in connection with the Sun River project except upon the condition named when no condition whatever is attached to the expenditure upon the Milk River project?

Mr. BORAH. It would seem that the very purpose of putting it on one or two projects is to subtly establish a precedent.

Mr. WALSH of Montana. It is the nose of the camel under the tent. Next year the entire camel will be in the tent. It is perfectly obvious that it is intended as an announcement of a principle by the Congress of the United States to stop the appeals that will be made hereafter.

Then follows the Sun River project of Montana. The lower Yellowstone project in Montana gets \$180,000, including "continuation of construction," without any conditions. The North Platte project in the State of Nebraska gets \$510,000, but Nebraska is not called upon to enter into any such contract.

The Newlands project in Nevada gets \$167,000 and no condition, but now we come to the Spanish Springs extension of the Newlands project, which is an entirely new project that has never been undertaken heretofore, and that has not any such condition to it.

Mr. SMOOT. The Senator must admit that the House did not put anything into the bill at all as to that project.

Mr. WALSH of Montana. Exactly.

Mr. SMOOT. Therefore the question of Spanish Springs has never been voted upon in the House; it has never been presented to the House; but the Senate put that item in just as the Senate wanted it.

Mr. WALSH of Montana. Yes; the Senate put in the appropriation for Spanish Springs without any such condition at all, announcing the views of the Senate; but it is in, and the House has acquiesced in it, as I understand the matter.

Mr. SMOOT. No; the Senator is mistaken in that. The conference report can not go to the House until the Senate has acted upon it, as we have the papers. The Spanish Springs item and the Vale item—

Mr. WALSH of Montana. No; I am speaking about the amendment numbered 27, as to which the conferees have agreed.

Mr. SMOOT. No; that has not been agreed to. There are three items in the bill that are compelled to go back to the House of Representatives for action on the part of the House.

Mr. WALSH of Montana. Then, is it the understanding of the Senator that when the report goes back to the House that body will attach this condition?

Mr. SMOOT. I can not say what they will do; I can not compel the conferees on the part of the House to say what they will do. The only thing which was said about it was that they thought there would be no question about the three items which would go back to the House.

Mr. WALSH of Montana. Let me ask the Senator this question: In the discussion of this matter and in the discussion which resulted in the conclusion that the Spanish Springs item would go back to the House was anything said about attaching such conditions to it?

Mr. SMOOT. No. We were merely informed that the matter had to go back to the House.

Mr. WALSH of Montana. Oh, yes; it has got to go back to the House to be approved, I understand, but the House, of course, may send it back with an instruction. Will the House send it back with an instruction to attach to it such a condition as is attached to the appropriation for the Sun River project and for the Kittitas project?

Mr. SMOOT. I do not think it will, I will say to the Senator, from the remarks and the statements which were made in the general discussion by Mr. CRAMTON and others.

Mr. WALSH of Montana. Is the Senator from Utah able to advise us, from any discussion of the conferees or otherwise, as to why it was that the two projects were singled out, while the other projects were exempted from the conditions attached to those two?

Mr. SMOOT. I can not say. I have looked over the CONGRESSIONAL RECORD, and it seems to me that there was nothing said in the House on that subject. The bill went to the House in that way; it came over here; and I have not the least idea why the condition was attached to these two projects and not to the others.

Mr. WALSH of Montana. For Spanish Springs there is an appropriation of \$500,000, but up to the present time, at least, no such condition has been attached to that item. For the Carlsbad project, in New Mexico, there is an appropriation of \$70,000; for the Rio Grande project, in New Mexico-Texas, \$650,000; for the Williston project, in North Dakota—that, however, does not include any appropriation for construction.

Here is another new project in the State of Oregon, the Owyhee project, for which an appropriation of \$315,000 is made. That is in the same situation as is the Spanish Spring project. I put the question to the Senator from Oregon [Mr. McNARY], for instance, suppose that we should adopt the report, and then the House should disagree to these items upon the ground that they do not contain such conditions as are attached to the appropriation for the two projects referred to in the State of Montana and the State of Washington, and should instruct the conferees to agree to the items with instructions, however, to incorporate such conditions, I should like to inquire of the Senator from Oregon what would be his attitude in that case? The Owyhee project, as I understand, is an entirely new project, and the item providing for it must go to the House of Representatives for its approbation. Of course, it is conceivable that if we concede the principle announced in connection with these two projects, that the State ought to provide for financing the settlers who go upon the project, and the House should instruct its conferees to agree to the Owyhee project, with a condition, however, substantially like that attached to the Sun River appropriation and the Kittitas project appropriation, what would be the attitude of the Senator from Oregon with respect to it?

Mr. McNARY. Mr. President, the Senator from Oregon has given this whole subject matter considerable study, and he will frankly say that he is not in sympathy with the language employed as to the Sun River and Kittitas projects. I apprehend that considerable embarrassment would follow an effort to develop those projects if that language should be written into the law. I am in sympathy with the attitude of the Senator from Montana. I think it is an attempt to inject into the reclamation policy an entirely new theory that would, perhaps, strangle the development of the Western and Intermountain States.

The whole conception of the act of 1902 was to use out of a special fund derived from the resources of certain States money with which to develop irrigation projects in lieu of taxation on the great untaxable area of those States. That being the case, it seems very strange, indeed, after \$150,000,000 have been expended in the development of 28 projects, at this late day to put in a restriction on two or three new projects, which will, perhaps, prevent their development.

Mr. SMOOT. I wish to say to the Senator also that if the present session had not been the short session of Congress this conference report would not have been here. I am sure that the Senate knows my attitude on the matter; but this is the best that we could do.

Mr. WALSH of Montana. Mr. President, that is all right; but when will this situation be changed?

Mr. SMOOT. It will be changed next year.

Mr. WALSH of Montana. Now, let us see. I want to canvass that with the Senators here in perfect good faith. If I thought we would be in any better situation at the next session on this matter than we are now, I should not be urging this action; but let me show what the situation will be: The bill will be prepared next year just exactly as it was prepared this year, with these conditions to which the Representative from Michigan who prepared the bill is wedded; the bill will be prepared exactly as this bill was prepared, with, of course, the same conditions with respect to the Sun River project and the Kittitas project and probably with reference to some others. The House apparently is entirely acquiescent in his desires with respect to this matter, and in all probability the bill will go through the House, as this bill went through the House, without any discussion of the subject at all. It will come here, be referred to the Senate Appropriations Committee, and that committee will do undoubtedly just exactly what they have done with this bill—strike the provision entirely out. Then it will go to conference, and that gentleman will take exactly the same attitude that he takes now: "Oh, well, I am in no hurry about this matter; I am not particularly interested in it; take your time about it." Then what are we going to do?

Mr. WARREN. Mr. President, will the Senator allow me to make an observation?

Mr. WALSH of Montana. I yield to the Senator from Wyoming.

Mr. WARREN. I wish to say to the Senator that if I am alive and am chairman of the committee of which I am now chairman, and a bill of that kind comes over here, I shall ask that it go back without action, if the Senate will stand by me, with the opinion expressed that we can not take into consideration legislation which has no place in an appropriation bill under their rules or ours.

If the Senator from Montana will yield to me further—

Mr. WALSH of Montana. I am glad to yield to the Senator.

Mr. WARREN. I do not know that it cuts any figure, but in conference with Mr. MADDEN, the chairman of the Appropriations Committee of the other House, early in the season, before the election, I asked him what the policy would be about starting with the work of the Appropriations Committees early, so that we might in the short session secure without undue crowding the passage of the appropriation bills. He said that on the Monday after election the Appropriations Committee of the House would start six of their subcommittees to work, and he gave the titles of the bills which would be first considered. When I came to Washington in December he showed me the list of the bills as they would come to us, and I may say, in passing, that the dates then fixed have been almost exactly met, with the exception of the bill which is now before us, which is somewhat behind. I asked him to list the Interior Department appropriation bill first or second, so that we might have ample time for its consideration. He had already made a list, putting the bill making appropriations for the Treasury and Post Office Departments first, as he himself takes charge of that bill in the committee and on the floor. Next on the list was the bill making appropriations for the Interior Department.

As we all know, Mr. MADDEN was very sick at the beginning of the session. As soon as he was able to receive visitors I went to see him. In the meantime he had deferred somewhat the bill making appropriations for the Treasury and the Post Office Departments because of his illness, and, acting on the request that I had made, or on his own initiative, or both, he put the Interior Department on the list as the first bill which would come to us.

A matter, about which he expressed some concern was that an effort might be made to load up the bill with legislation of which he did not approve; but he expected that the bill would come to us free from objectionable legislation.

As to the provision which the Senator from Montana has been discussing and the circumstances of its adoption in the House, the Senator, of course, has made inquiry and knows better than I do; but some of the western Representatives seem to have been in some degree either unable to know when the bill was going to be considered, or were under the impression that it did not contain such provisions as it has developed it does contain, because, since that time, in conversation with some of them they claimed that they were opposed to that character of legislation. Of course, I do not wish to speak other than with respect of Members of the House, but one of them, who is a member of the subcommittee, I understand, has stated that Members of the House from the West were satisfied with the provisions and had in fact asked for them.

Those of the Members of the House from the West who have talked to me about it simply express themselves in surprise or indignation, none of them admitting that they sought to support the legislative matter which has been injected into the bill, which, as the Senator from Montana says, if embraced in the bill at all, should probably be made to apply to all of the reclamation provisions in the bill. I think that if the provision referred to by the Senator from Montana should become a part of the law it should be our first work, as it would be my pleasure, to undertake enactment of legislation to secure its repeal.

Mr. SMOOT. I want to say to the Senator, too, that I do not want all of this blame laid to Mr. CRAMTON. The other members of the conference committee were just as insistent as Mr. CRAMTON was. I agree with the Senator when he says that Mr. CRAMTON is the ruling power. I think that is true. When we stop to think that a point of order can be made in the House against every one of these provisions and he was powerful enough to have the point of order withdrawn, as I understand it was made in the House, it will be seen that he feels perfectly secure as far as this session of Congress is concerned, with the few days that remain, in taking the attitude that he has taken.

Mr. WALSH of Montana. Mr. President, am I to understand the Senator to say that a point of order can be made against it in the House?

Mr. SMOOT. Why, certainly. A point of order could have been made against every item in the bill.

Mr. JONES of Washington. Mr. President, will the Senator permit an interruption?

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from Montana yield to the Senator from Washington?

Mr. WALSH of Montana. I yield.

Mr. JONES of Washington. The Senator is a little mistaken in his statement that nothing was said in the House with reference to this matter.

Mr. SMOOT. I did not make that statement.

Mr. JONES of Washington. No; the Senator from Montana said something of that kind. I was over in the House at the time this matter came up for consideration. These provisions were in the bill as reported from the committee, and I of course, was interested in them. A point of order was made when one of these items was reached, I think probably the first one that has some of these limitations in it. The point of order was made to that, that it was contrary to the rules of the House, and the matter was discussed for some little time—not only the point of order but somewhat on the merits, too. Finally the Chair sustained the point of order, and the item went out. Then it was proposed to strike out the entire appropriation, or at least the assertion was made that that would be done; and then the point of order was withdrawn, and the item was restored as reported by the committee, and the point of order was not made then with reference to the other items. I think there was a pretty general feeling that when the matter came over to the Senate those provisions would be stricken out; but there, in brief, is what happened when the bill was up for consideration.

Mr. WALSH of Montana. I am glad to be corrected. I did not speak by the Record. I spoke from my information about it, and apparently it was not altogether accurate; but was there any real discussion of the policy evidenced by these amendments?

Mr. JONES of Washington. I think not; not a great deal. I do not remember specifically about that, and I have not looked at the Record since. I do not think there was any very extended discussion as to the policy involved in these provisions.

Mr. SMOOT. I have looked over the Record, and most of the statements that were made were made by Mr. CRAMTON, and Mr. CRAMTON took a great deal of space in the Record to go into the details of each one of these projects.

Mr. JONES of Washington. I will ask the Senator if that was on the point of order, or was that when he presented the bill?

Mr. SMOOT. When he presented the bill.

Mr. JONES of Washington. That is what I thought. I did not hear that. I heard the discussion on the point of order.

Mr. WALSH of Montana. Of course, he could discuss the various projects and discuss the purpose to which the appropriation was to be devoted; but he did all the talking without ever touching upon this question of policy?

Mr. SMOOT. Yes; but I will say to the Senator, in justice to Mr. CRAMTON, that he did take up the questions involved in these amendments, and gave an explanation of why they should be adopted. I have the Record here in regard to some of the cases.

Mr. WALSH of Montana. Will the Senator read what he said upon this particular subject? I should like to have some idea about the workings of his mind with respect to them.

Mr. SMOOT. Very well. Let us take the Kittitas project.

Mr. WALSH of Montana. I do not want to trouble the Senator to read all he said about the Kittitas project and the Sun River project, because much might be said, of course, about both; but I refer to what he said about the desirability of this policy of making the appropriation dependent upon the execution of this contract by the States, respectively.

Mr. SMOOT. Here is what he said:

But there is another important feature. We suggest, further, to protect against exploitation, as the San Carlos bill provided.

Then the San Carlos provision is printed here.

We suggest measures to guard against speculative values in the land to protect the settler. When on the project I was assured any measure of this kind would be acceptable. We provide for State and Federal cooperation, and our suggestion is in accordance with the recommendation of a local committee of business men—I do not know whether they are all residents of Ellensburg, but several gentlemen of

that section who have prepared a very interesting statement. Speaking of the sources of credit open to respective settlers, they refer to the Federal land act, the livestock association, the local banks and insurance, mortgage companies, and private individuals. Then they say:

"The committee is of the opinion that in addition to these, special attention should be called to the statement on page 75 of the report relative to the land settlement law of the State of Washington. It is believed that the provisions of this law furnish a very important source of possible credits to settlers on the Kittitas unit."

The State of Washington has enacted a land settlement law to aid in the development of the State and the proper settlement of its land. It has something of a fund to be used for the purpose of extending credit to those who are developing the unsettled parts of the State. The pending bill proposes that the State of Washington and the United States shall cooperate in this work of reclamation as we cooperate in road building, and so forth.

Then he asked for further time, and then he went on with further descriptions of the project, and he took up each project and gave what he considered good reasons for the insertion of the items.

Mr. WALSH of Montana. I think it is very just to say, is it not, that there was absolutely no discussion at all by the House of this departure in the policy?

Mr. SMOOT. I rather think the Senator is correct, because I believe that nearly all of the statements were made by Mr. CRAMTON.

Mr. WALSH of Montana. That is, the House was not apprised at all that this was the announcement of a principle to the effect that no appropriation should hereafter be made for reclamation projects unless the States should enter into contracts for the settlement of the lands and the finances?

Mr. SMOOT. I think it was.

Mr. WALSH of Montana. The House does not know that that is in the bill?

Mr. SMOOT. Yes, Mr. President; they knew that it was in the bill, because that was the very thing on which they made the point of order, and the point of order was sustained, as the Senator says, and after that the point of order was withdrawn. I think—and I am only expressing my opinion, and I do not want to say that this is a correct statement—I think that the Members from the States in which the projects were located were told that if the point of order was not withdrawn the appropriations would not be made. I do not know that that is so, but I think that is the case.

Mr. WALSH of Montana. It is a very reasonable inference.

Mr. JONES of Washington. Mr. President, will the Senator yield?

Mr. WALSH of Montana. I yield to the Senator.

Mr. JONES of Washington. I was interested in the statement of the Senator from Wyoming [Mr. WARREN] as to what his course would be next year if the bill came over with these provisions in it.

Mr. WARREN. Mr. President, I was going to say that the House has given us a way in the way in which they handled the post office salary bill. They quietly sent it back to us, or said they would do so, and sent us a bill of their own. There is nothing that I know of in the Constitution, the law, or our rules that prevents us from constructing here the bill for the Interior Department. It is not a revenue measure.

Mr. JONES of Washington. This is what I wanted to ask the Senator: What steps would the Senator feel disposed to take to make available the appropriations made in this bill if this should go through? I am satisfied that our States can not comply with this condition, and so this money will not be spent. It will be available still next year. Will the Senator assure us that he will insist upon the reappropriation of the money in this bill, and make it available free from those conditions?

Mr. WARREN. I shall expect to do as we did in the second appropriation bill that we were hung up on last year, to carry out finally the terms of the bill.

Mr. SMOOT. I will say to the Senator, so far as I am concerned, that if this bill passes in this way I should want a provision in the next appropriation bill repealing any part of it.

Mr. WARREN. The Senator has suggested exactly the way.

Mr. SMOOT. We will not have a short session of Congress then, where we are in a position of having either to lose the bill or to take it. I tried to find out whether there was any division among the conferees on this matter, and I asked each one of the conferees directly if he sustained the position taken by Mr. CRAMTON, and they all said they did.

Mr. WALSH of Montana. Let me inquire of the Senator just exactly what argument they put up in favor of this provision; or did they simply adopt the policy of silence?

Mr. SMOOT. Mr. CRAMTON had everything to say. The conferees said nothing about the details of it. The Senator knows that when all of these projects came over here there was a provision that 4 per cent interest should be paid on those projects.

Mr. WALSH of Montana. Yes; and, of course, that is another way of choking off the reclamation projects.

Mr. SMOOT. In other words, Mr. President, just think of half of a project being built and to-day absolutely developed, in many cases, with no interest whatever, and an extension of it just beyond a given line being required to pay 4 per cent interest!

Mr. WALSH of Montana. Of course, the author of that knows, as a matter of course, that it would not go on.

Mr. SMOOT. Mr. President, I want to say also that I think it would have been very much better for the Reclamation Service if we had maintained the 40-year payment. The way we have it now it will be over 96 years before these payments are made. I think that was one of the things that brought about a feeling in favor of further legislation; but one man in the House can not have that changed, in my opinion, and I want to say to the Senator from Washington and to the Senator from Montana that I am just as much opposed to the principle as they are. We have a condition existing here, however, and I do not know how to solve it otherwise than to agree to this.

Another thing, Mr. President, I am chairman of the subcommittee on the Interior Department appropriation bill, and no doubt will be at the next session of Congress. We can run that right on; and I promise both the Senators that as far as I am concerned I am not going to ask the Senate to agree to any such proposition in a future appropriation bill, and I want Mr. CRAMTON and every one else to understand that if this action goes through it shall not be considered a precedent.

Mr. WALSH of Montana. I should not have the slightest criticism of Mr. CRAMTON or any other Member of the House who believes in the wisdom of that policy for introducing his bill there and presenting it for consideration and passing the bill if he can do it; but this proposition of putting it upon an appropriation bill, with an implied threat that if we do not agree to it he will kill the appropriation, warrants, it seems to me, any course that the Senate might take to meet that situation of affairs.

Mr. SMOOT. If we have the time before the 4th of March to do that, I think perhaps we ought to give some expression to our views. But we have held meeting after meeting; we have tried to come to agreement. If the Senator will look at the report, he will see that the House Members have virtually yielded upon all of the amendments the Senate put into the bill. This they would not agree to, and so they stood. We did everything we could, and now the responsibility is with the Senate.

Mr. McNARY. Mr. President, before the Senator from Utah takes his seat, I want to ask him a question to determine in my own mind whether his statement is correct. He said he was sorry the construction charges were not to be paid in 40 years; that under the present law—I assume he was referring to the bill we passed in December last—it took 96 years to pay all the construction charges. I had something to do with the enactment of that law. As chairman of the committee I had much to do with it, in collaboration with the members of the committee, and I want to say to the Senator from Utah that it is not based upon a cycle of time, but upon the gross production of the soil. It might be that when the gross production is large, and the prices high, repayment might be within one period of time, say 30 years; but if depression existed and agricultural crops were short, it might be 60 or 70 years. I am wondering how the Senator reaches the conclusion that the time limit is 96 years.

Mr. SMOOT. I got it from the report, as I remember it, made on this very project, by Mr. Mead.

Mr. McNARY. That is an important factor for us to consider in connection with the study of this problem. I should be opposed to any scheme requiring 96 years for the payment of the construction charges; but that is not the law. As I have said, I do not care whether Commissioner Mead made this statement or not. I challenge the Senator from Utah to produce such a statement.

Mr. SMOOT. I do not say that Mr. Mead said that—

Mr. McNARY. I do not care who said it; I dispute it.

Mr. SMOOT. Let me read it, and see if it is not here. This is Mr. CRAMTON—

Mr. McNARY. Oh, yes!

Mr. SMOOT. I will read this:

The views I am suggesting to-day are not radical. I do not think they are unfriendly to a proper reclamation development or to these particular projects. The director of the reclamation fund, Doctor Mead, is one of the greatest authorities in the country on that subject, and holds very similar views. He has had great experience. Doctor Mead was formerly professor of rural institutions in the University of California, and was recently chairman of the State land settlement board in that State, and a member of the fact finding commission—

And so forth.

That follows a statement he made in relation to the length of time it would take to pay the Government on the Kittitas project, which was 96.3 years.

Mr. McNARY. I would like to have the Senator from Utah state if that is the estimate placed by Mr. CRAMTON or Doctor Mead, and what the basis of the estimate is.

Mr. SMOOT. All I know is what is in this report, which was made by Mr. CRAMTON.

Mr. McNARY. I would like to hear what is in the report.

Mr. SMOOT. It may be in another paper. I will look it up and hand it to the Senator.

Mr. McNARY. Very well.

Mr. WALSH of Montana. Mr. President, I had said practically all I cared to say upon this matter, and in view of what has been said, I forbear to refer in further detail to the appropriations for the projects in the various States made unconditionally. I want to say, however, that the policy evidenced by this provision in the bill to which I take exception is diametrically at variance with that evidenced by Senate bill 4151, which has been reported favorably by the unanimous vote of the Committee on Irrigation and Reclamation. That recognizes the desirability of selecting, in the first place, the settlers who are to go upon the new projects, or the extensions of existing projects, and provides for financing them out of the reclamation fund, realizing that the proper financing of the settlers is as essential as the construction of the work, and might very properly be a charge upon the fund.

Whether that policy shall receive the indorsement of the Senate or not is a matter of no great consequence here. It evidences a view quite contrary to that expressed in those provisions of the bill under consideration which have evoked this comment.

Mr. JONES of New Mexico. Mr. President, will the Senator yield?

Mr. WALSH of Montana. I yield.

Mr. JONES of New Mexico. I have been reading the report upon the bill to which the Senator from Montana has just referred, and I find in that report that that bill has the indorsement of the Secretary of the Interior. I assume, therefore, that it has the indorsement of the Director of the Reclamation Service.

Mr. WALSH of Montana. Doctor Mead appeared before the committee and explained the bill in detail. As originally drafted and introduced, it underwent some radical amendment in the committee, all of the amendments having been made upon consultation with Doctor Mead and having, as I recall, his entire approval.

That prompts me to say that whether that measure shall eventually have the approval of the Senate or not, the policy which is evidenced by the provisions under consideration here has never had the approval of the Interior Department or of the Director of the Reclamation Service.

Mr. SMOOT. I will say to the Senator that I asked Commissioner Mead, after the statement was made in the conference committee, whether he did approve of the same, and he handed me the hearings before the subcommittee of the House Committee on Appropriations on the Interior Department appropriation bill, and called my attention to 17 different pages in those hearings, from the reading of which there is no question but that he never in the slightest degree approved of the policy.

Mr. WALSH of Montana. So that we are to depart from this policy without even a suggestion from any source that it is approved by the Interior Department or those who have heretofore had anything to do with the administration of the reclamation act and apparently without even consulting them about the matter and securing any view from them with respect to the matter at all, their view not being now at the command of either House of Congress, so far as I am advised.

Mr. JONES of Washington. And in the face of a general legislative act we passed last December.

Mr. WALSH of Montana. It is proposed that we lay down the entire policy. I had supposed that in view of the legislation we enacted during the month of December last these provisions to which attention was called would go out without any

question at all, that the whole subject had been covered by that general legislation; but the insistence upon the matter clearly indicates a desire to inaugurate a policy at variance with that disclosed by that legislation.

That is all I care to say on this subject at this time.

Mr. CURTIS. Mr. President, I desire to submit a unanimous-consent request, and I may say that I have spoken to the leader on the other side of the Chamber about the matter.

I ask unanimous consent that when the Senate concludes its business to-night it take a recess until 11 o'clock to-morrow morning.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas? The Chair hears none, and the unanimous-consent request is entered into. The question is upon agreeing to the conference report.

Mr. JONES of Washington. Mr. President, in view of the assurances given by the Senator from Wyoming [Mr. WARREN] and the Senator from Utah [Mr. SMOOT] as to the course they will take when the next Interior Department appropriation bill comes up, I shall not take very much time now in the consideration of this measure. Whether I shall take time a little bit later on in connection with it I am not prepared to say. I am not committing myself against taking further time in connection with it. But I do want to say just a few words with reference to the situation in regard to the project in the State of Washington which is covered by this bill.

Before doing that I want to refer to the fact that on page 77 of this bill will be found provided for a project called the Salt Lake Basin project in Utah. Of course, I make no criticism of the Senator from Utah on account of the fact that the limitations placed upon the project in Montana and upon the project in Washington are not placed upon that project. The House took care of that situation in a certain way themselves. They left out the really objectionable features inserted in the House relating to these other two projects. Of course, the Senator from Utah is not responsible for that. I should have been glad, of course, if they had not put those provisions in the bill with respect to my project.

Mr. SMOOT. I will say to the Senator from Washington that I did not speak to one Member of the House about the matter and did not know what was provided as to that project.

Mr. JONES of Washington. I do not doubt that at all. I am simply calling attention to the peculiar action taken in connection with this bill.

Mr. KING. Mr. President, if the Senator will yield, I think the same position was taken with respect to the Spanish Springs item in Nevada, which is a new project.

Mr. JONES of Washington. The Senator is mistaken about that. The Spanish Springs project was not put into the bill in the House at all. That was put in as amendment on the floor of the Senate. They rejected that item entirely in the House.

Mr. KING. As I understand, they have not insisted upon this provision of which the Senator now complains being added to the Spanish Springs project.

Mr. JONES of Washington. I do not know what action will be taken on this report in the House when the report comes up there. This is what I anticipate, I may suggest to the Senator from Utah: That in the House there will be a motion that they concur in the Spanish Springs amendment, with an amendment, and that they will attach these limitations to that amendment. That is what I anticipate will happen.

Mr. KING. Mr. President, I think the Senator might with great propriety, in so far as it is parliamentary to challenge attention to the action of the House, call attention to the fact that a number of other items in this bill providing for reclamation projects have not had attached to them the provision which has been the subject of debate here.

Mr. JONES of Washington. That has been done by the Senator from Montana already, so I will not repeat it. I may just state what is very likely to happen with reference to the Spanish Springs item and also, I might say, the Vale item in Oregon. That was not put on in the House. That was put on as an original amendment here in the Senate. I will not be surprised at all if, when this conference report comes up in the House, a motion is made to recede from that amendment with an amendment probably incorporating the provisions which we have already in the bill with reference to the Montana and Washington projects.

I want to call particular attention to the item with relation to the Washington project. I would have no serious objection to—that is, I would be willing to accept without special controversy in order to have the bill pass—most of the provisions in this amendment. But I want to notice particularly the provision that has been read in the Montana item but which is a

little bit different because of the legislative enactment in the State of Washington. It is as follows:

Provided further, That no part of the sum hereby appropriated shall be expended for construction until a contract or contracts shall have been executed between the United States and the State of Washington pursuant to its last settlement act embodied in chapter 188, Laws of 1919, as amended by chapter 90, Laws of 1921, and by chapters 34 and 112, Laws of 1923—

If provision had stopped there, I do not think I would have had a very good ground for objection to it. But it does not stop there. It does not stop with the provisions I have just read, but it continues:

Or additional enactments, if necessary.

That is, if necessary to carry out the requirements further specified in the act; so that we have here an attempt by Congress to compel a State to adopt a certain policy and pass certain legislation if it would have these expenditures made for the reclamation of these lands. What is it they are going to require of the State of Washington, just as they did require of the State of Montana?

Whereby the State shall assume the duty and responsibility of promoting the development and settlement of the project after completion, including the subdivision of lands held in private ownership by any individual—

Mr. CARAWAY. Mr. President, may I inquire of the Senator if the legislature of his State has any power to carry out that provision?

Mr. JONES of Washington. I do not know of any. The Interior Department can compel that to be done.

Mr. KING. No; not of private lands.

Mr. DILL. If they go in the project he can.

Mr. JONES of Washington. That is what I mean. They can make it a condition. Of course they are not compelled to adopt the project.

Mr. CARAWAY. But the State has no power to compel people to go into it?

Mr. JONES of Washington. That is as I said. It is not only beyond the power of the State, but it is unnecessary, because the Secretary himself has the power now before he adopts a project to require the division of those lands.

I want to tell Senators what was required with reference to one of the units on the Yakima project. The Secretary of the Interior established a farm unit of 40 acres in that project. It was very fine land, nicely located with reference to transportation, so he fixed a farm unit of 40 acres and said to every private landowner, "You must give me a deed to all of your land in excess of the 40 acres and authorize me at the end of two years"—I think it was two years—"to sell whatever land you have not disposed of within that time." That was done, and it was a wise provision, I think. I approve it. But it shows the power the Secretary had.

Mr. CARAWAY. Mr. President, may I ask the Senator another question?

Mr. JONES of Washington. Certainly.

Mr. CARAWAY. If I understood the Senator correctly, the legislation compels, before the project will receive Federal aid, that the State shall finance the development of individual people who are there. Is that true?

Mr. JONES of Washington. This provision requires the State to enter into a contract with the United States that after the project is completed it will do the things I have read here and some further matters I am about to read.

Mr. CARAWAY. Has the State any power under its constitution to take care of these projects?

Mr. JONES of Washington. The State has enacted some legislation. It has not gone anything like as far as we are required to go here. As to just the extent of its constitutional powers in that respect I can not off-hand express an opinion, but the State has not gone anything like as far as is required by this provision to which I am referring.

Mr. CARAWAY. I am very loath to see the Congress try to compel a State to take any action. I do not believe in coercing the State.

Mr. JONES of Washington. I agree with the Senator. I think that really a fundamental proposition involved here is that we propose to compel the States to take certain action with reference to these various projects and say that they must enter into an agreement with the Government of the United States. This occurs to me, too, right in this connection: Suppose the State should enter into such an agreement and the projects were completed and the State fails to comply with its agreement; what would happen? Would we try to compel the

State to do it by force of arms, or would we try to enforce a lien upon the property? What could we do to enforce such a contract? It seems to me it is only inviting trouble. We could not hold the settlers responsible. We could not close the project; that is, we could not afford to do that; we could not get the money out. It seems to me that it is fundamentally wrong to require anything of that sort.

But what must the State contract to do? It must contract, in addition to subdividing the land, which the Secretary himself has the power to do much better than any other agency, because that is a condition he can impose upon the private owner before he will enter into the project, and I think that is perfectly fair. The State must enter into an agreement assuming the duty and the responsibility of securing, selecting, and financing the settlers to enable the purchase of the required livestock, equipment, and supplies, and the improvement of the lands to render them habitable and attractive.

Now notice:

The State shall provide the funds necessary for this purpose and shall conduct operations in a manner satisfactory to the Secretary of the Interior.

In other words, the activities of the States in this particular are under the control and direction of the Secretary of the Interior.

Mr. CARAWAY. It compels the State to build the homes and equip the farms and furnish the livestock and everything of that kind.

Mr. JONES of Washington. It compels the State to supply the money for that purpose. It must also do all these things under direction of the Secretary of the Interior. If the State officials think it should be done one way and the Secretary of the Interior another way, the Secretary of the Interior controls. I wonder what would happen if the State officials refused to comply with the regulations of the Secretary of the Interior, refused to follow his advice and his counsel? I wonder what would happen and how he could punish them or how he could compel them to do the things he thinks they ought to do?

Mr. WALSH of Montana. For instance, a State official might think he was required to buy Holstein cattle and the Secretary of the Interior would think they ought to have Jersey cattle. The State furnishes the money, but the Secretary of the Interior tells how it shall be spent.

Mr. CARAWAY. Is there anything in the constitution of the State of Washington giving power to do any of these things, like the building of homes, the buying of livestock, and so forth?

Mr. JONES of Washington. I will come to that point right now. Here is the law of 1919 that was mentioned in the provision which I have just read. This is a law entitled "Land settlement act":

An act relating to the upbuilding of the agricultural resources of the State, establishing a State policy for land settlement, defining the powers and duties of the State reclamation board in reference thereto, and making appropriations therefor.

Mr. KING. That is the State reclamation board?

Mr. JONES of Washington. Yes; that is the State law providing for a board. It reads as follows:

SECTION 1. This act shall be known and cited as the "land settlement act."

SEC. 2. The State of Washington, in the exercise of its sovereign and police powers, declares that the settlement of such portions of the undeveloped lands in this State as may be determined to be suitable and economically available therefor is a State purpose and is necessary to the public health, safety, and welfare of its people. In the exercise of such power the State, acting for itself and in cooperation with the United States, hereby establishes a definite land policy providing means whereby soldiers, sailors, marines, and others who have served with the armed forces of the United States in the war against Germany and her allies, or other wars of the United States, hereinafter generally referred to as "soldiers"—

It is evident that this law was primarily passed to aid the soldier. Then it goes on as follows:

and also industrial workers and other American citizens desiring a rural life may settle upon and become owners of small improved farms and farm laborer's allotments.

SEC. 3. That the State reclamation board created by the sixteenth legislature, hereinafter called the "board," shall have power to cooperate with the Federal Government in the settlement of any undeveloped lands in this State, and to avail itself of any authority of Federal laws, rules, and regulations therefor when any such settlement project shall be approved and adopted by both the Federal Government and said board. Before said board shall expend any of the moneys

appropriated for the settlement of land, except as herein otherwise provided, it shall enter into a written agreement with the Federal Government, setting forth the plan and basis of cooperation between the State and the Federal Government, and the expenditures to be incurred by each, and the provision for their repayment.

The contract with the United States may provide for the subdivision of the lands and other work needed to render one or more groups of farms available for agriculture.

The board is authorized to secure from the United States, subject to the provisions of Federal laws, the necessary funds for making permanent improvements and for the purchase of necessary equipment.

Apparently this provision was put in here to nullify the language referred to.

Mr. CARAWAY. That provision of the State law merely authorizes them to accept gifts.

Mr. JONES of Washington. I suppose so.

Mr. CARAWAY. But not to make any appropriations.

Mr. JONES of Washington. It authorizes them to get it from the Federal Government, if they can. Now, here are the powers of the board:

SEC. 4. The board shall have power—

To investigate and select for settlement suitable areas of undeveloped lands in this State available for settlement.

To purchase and acquire on behalf of the State such privately owned lands as in its judgment are available for settlement.

Here is the provision with reference to the United States:

To purchase and acquire lands in cooperation with the United States under such conditions as may be deemed advisable for the purposes of this act, and to convey the same under such conditions and restrictions as may be approved by the Secretary of the Interior.

To arrange with the Federal Government for sharing in the expense of furnishing agricultural training for settlers.

Not furnishing milch cows, horses, and building homes, and all that sort of thing, but in the training of settlers so as to render them better qualified for the cultivation of their lands under appropriate conditions and provision by the Federal Government.

These are the only two paragraphs wherein, in the powers of this board, they are connected with the Federal Government. But this provision was amended by a latter act of the State legislature. I now read from the Laws of the Legislature of the State of Washington, 1920-21, section 4, which is the provision I have just read with reference to the powers of the board:

That section 4 of chapter 188, Laws of 1919, be amended to read as follows:

SEC. 4. The board shall have power—

Then reference is made to local matters, and then here is the power which the board is given in connection with the United States:

To purchase and acquire lands in cooperation with the United States under such conditions as may be deemed advisable for the purposes of this act and to convey the same under such conditions and restrictions as may be approved by the Secretary of the Interior.

To arrange with the Federal Government for sharing in the expense of furnishing agricultural training for settlers so as to render them better qualified for the cultivation of their lands under appropriate conditions of supervision by the Federal Government.

That is all. Compare that power of the board in dealing with these matters with this provision in the conference report:

the securing, selection, and financing of settlers to enable the purchase of the required livestock, equipment, and supplies, and the improvement of the lands to render them habitable and productive.

It seems to me that there is very little in that covered by the laws to which reference is made in the conference report, so that in order to comply with the requirement it will be necessary for the State legislature, if it has the constitutional right to do so, to pass laws further empowering the board to do these very things.

Mr. DILL. Mr. President, will my colleague yield to me?

Mr. JONES of Washington. I yield.

Mr. DILL. I remind my colleague that the State legislature will not meet for two years.

Mr. JONES of Washington. The Senator knows now that the legislature has adjourned with the understanding that the governor will call it into extra session some time in November of this year.

Mr. DILL. The legislature would not accept it anyway.

Mr. JONES of Washington. I do not think so. As a matter of fact, my understanding is—I have not looked into the sub-

ject thoroughly—but as I understand the activities of the State along the lines of these acts, providing homes for soldiers, local settlement, and so on, are getting less and less all the time; that there is getting to be very much dissatisfaction with such efforts, and the probabilities are that the State laws on the subject will be repealed or very greatly modified before a great while.

Now reference is made to some other acts.

Mr. CARAWAY. Mr. President, I want to ask the Senator just one more question.

Mr. JONES of Washington. I yield to the Senator from Arkansas.

Mr. CARAWAY. It is difficult to determine from the reading of the bill whether the State is expected to make the settler an outright gift or a loan.

Mr. JONES of Washington. Of course, I suppose they do not expect the State to make the settler a gift; they probably could not and would not think about requiring that. So I suppose that they expect the State to make the settler a loan.

Mr. CARAWAY. It is difficult to determine from the bill what the intention is.

Mr. JONES of Washington. I suppose that the authors of that provision did not care how the State shall carry it out so long as it shall carry it out.

Mr. CARAWAY. Under the bill, if the Secretary of the Interior wishes to say, "this means a gift," could that position be disproved by the language of the bill?

Mr. JONES of Washington. The conference report provides:

The State shall provide the funds necessary for this purpose and shall conduct operations in a manner satisfactory to the Secretary of the Interior.

It is broad language. As to just what it might mean—

Mr. BORAH. It certainly may result in a gift.

Mr. JONES of Washington. Very likely.

Now, reference is also made in the conference report to another act, chapter 34, which is found in the laws of 1923, at page 77:

That section 3023 of Remington's Compiled Statutes be amended to read as follows:

"SEC. 3023. The lands disposed of under this act shall be leased or sold in accordance with regulations adopted by the director of the department of conservation and development."

That deals clearly with the State projects and does not and could not deal with Government projects at all. It does not give the State board any power over the lands that may be developed under a Federal project.

Then the conference report refers to chapter 112, which is found at page 297 of the Laws of the State of Washington:

SECTION. 1. That chapter 17, Title XVI of Remington's Compiled Statutes of Washington, be amended by adding thereto a new section to be known as section 3021-1 as follows:

"SEC. 3021-1. The director of the department of conservation and development shall have authority, when in his opinion it will materially contribute to the success of the settler on land purchased or leased under the provisions of this chapter to purchase and sell, with interest on the unpaid part of the purchase price at the rate of 6 per cent per annum, heifers and milch cows to such settlers for use on said land on such terms and under such conditions as said director of the department of conservation and development shall deem advisable."

That relates to lands purchased or leased by the States and not to lands under a Federal or Government project.

Mr. CARAWAY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Arkansas?

Mr. JONES of Washington. I yield.

Mr. CARAWAY. I desire to ask the Senator from Washington a question because I am not familiar with the situation to which he refers. Are the lands to be developed by this Federal project in private ownership or are they Government lands?

Mr. JONES of Washington. They are both.

Mr. CARAWAY. Is it contemplated under this bill that the State shall be required to lend money with which to build houses on land, the title of which is in the Government?

Mr. JONES of Washington. Yes.

Mr. CARAWAY. So if the settler then should fail to go forward with the improvements the State would have no security?

Mr. JONES of Washington. I do not think it would.

Mr. President, it looks as if the authors of this provision had in mind the possible failure of the passage of legislation by Congress providing for the loaning of money to settlers on land for the building of houses, the buying of livestock, and

other similar purposes. I want to say that as a general principle I would not favor a policy of that kind; I do not think that would be wise, and I do not believe that we ought to impose in any Federal statute an obligation upon a State to do that very thing.

The irrigation projects can be dwelt with without any provisions of this kind. The Federal Government does not need to require any agency to adopt a policy looking toward the financing of settlers upon such projects. Conditions may be a little bit different, of course, in my State than those that obtain in some of the other States, but the projects in Washington are getting along splendidly. There is no real necessity for the State or the National Government to enter upon a policy of financing settlers upon these lands.

Take the Tieton unit of the Yakima project, to which I referred a little while ago. In that instance the Secretary of the Interior required the private landowners to agree that he might dispose of whatever lands they had undisposed of at the end of two years; but nearly every acre of that farm unit is now under cultivation. It is wonderfully productive. The lands in that unit have splendid markets; they have splendid transportation facilities, and are, without any reflection upon any other project, in my judgment, a part of the best project in the United States. Of course, the Senator from Utah [Mr. Smoot] says, "with the exception of the Strawberry project." He can make the exception, but I will not do so.

I should like to call attention to the yield of the irrigated lands under this project. I took from a local newspaper last night a statement of the returns for last year. The statement includes the lands on the Yakima Indian Reservation that are being reclaimed not as what we know as a reclamation project but under the Indian Office. Here is what we find: On the Tieton unit, to which I have been referring, the value of the crop last year was \$3,194,823, and the area was 24,545 acres.

Mr. CARAWAY. What is grown on that land?

Mr. JONES of Washington. The settlers there grow alfalfa, fruit, and potatoes. Eventually practically all the land will be in fruit. It is fine fruit land, and apples, peaches, pears, plums, and other fruit grow abundantly. New orchards are being put out from year to year.

In the Sunnyside project, which is another unit of the Yakima project, embracing 78,130 acres, the total value of the crops was \$4,923,828. On that unit there is not so much fruit grown as there is alfalfa, corn, potatoes, and other similar products.

On the reservation—that is, the Yakima Indian Reservation—embracing 88,000 acres, the crop return amounted to \$6,325,000.

In other words, from the entire project last year crops were produced to the value of \$14,443,644 on an acreage of 190,675, making an average yield of about \$71 to the acre.

Mr. CARAWAY. What I am curious about—

Mr. JONES of Washington. On the fruit land the yield was \$319 an acre.

Mr. CARAWAY. Mr. President, Senators from the West have had me all stirred up about the poverty of the western farmer, and now I find that he is about the only rich man in the country.

Mr. JONES of Washington. Let me suggest to the Senator that this year has been an exceptionally good year as compared with the two or three preceding years. During the two or three preceding years the apple men got nothing; the fruit man got nothing; while last year the apple man received a good price for his fruit and had a pretty fair crop. As the Senator from Utah [Mr. Smoot] suggests to me, apples are \$5.25 a box here in the District and about \$20 a box down in the Senate restaurant.

Under the subhead "Apples come first," the newspaper statement goes on to say:

Tieton's crop report was issued to-day by J. L. Lytel, United States Reclamation Service project manager, and is proof in itself of the excellence of the Tieton apple and of the bumper yield of apples there this year. Red-checked apples, harvested from 7,160 acres, returned to the growers \$2,286,819, an average of \$319 for each acre of orchard.

As I have said, a year ago they did not make expenses, and the year before that they did not make expenses.

Mr. CARAWAY. They do not need to do anything now for some years to come.

Mr. JONES of Washington. The Kittitas project embraced in this bill is about 37 miles to the north up the river from Yakima. It is really a unit of this project. They will probably not produce there so much fruit as is produced on the other units, but it is an excellent hay country; fine oats and potatoes are produced, and the possibilities of fruit growing

there, I imagine, are excellent, better on the lands that will be embraced in this unit than upon lands that are already under cultivation there, because the lands in the new unit are higher and more on the hillsides, and they probably will develop great fruit production.

It will cost about \$8,000,000 to reclaim these lands, but there have been spent almost \$2,000,000 in reservoiring the water to be used upon them. Here is a fact that I want to call to the attention of the Senate to show the unwisdom of the policy embraced in this provision here. The conference report provides that no part of this money shall be spent toward the development of this unit until the State does so-and-so; and yet the National Government has already expended on the Yakima project \$12,000,000 or \$13,000,000 in the development of the units to which I have referred; and it has just completed last year, at a cost of about \$5,000,000, a reservoir that is to impound water to be used, a greater part of it, in the reclamation of the lands covered by this unit. It is estimated that the pro rata charge for these lands of that reservoir will be about \$1,700,000; and yet it is proposed by this item in this bill that that investment shall be absolutely idle, shall be nullified, unless the State shall enter into the work that they specify in this provision.

Mr. CARAWAY. May I ask the Senator one more question? What is the theory on which they include only projects in two States and render them subject to these conditions, while projects similarly situated in other States are not embraced within them?

Mr. JONES of Washington. That I do not know.

Mr. CARAWAY. The Senator has not any idea why that was done?

Mr. JONES of Washington. I have not.

Mr. CARAWAY. It is a peculiar policy.

Mr. JONES of Washington. Probably I ought to say this: The Yakima project as a project is divided into several units. Two of these units have been practically completed. Then there is this Kittitas unit. It is separate and distinct from these other units, except as to the reservoir water. In other words, if the National Government does not reclaim the lands of the Kittitas unit it does not lose any money except the money in the reservoir, which, as I say, is almost \$2,000,000. There are two or three other units in this project to come on for reclamation hereafter. Now, in some of the projects that are provided for in this bill there is possibly just one unit upon which money as it has been appropriated heretofore has been expended, and so they probably looked at it that they must keep it going or else lose what they had put in it. That is a surmise on my part.

Mr. CARAWAY. Does this suggestion come from the Reclamation Service?

Mr. JONES of Washington. What suggestion does the Senator refer to?

Mr. CARAWAY. The provisions in this bill with reference to requiring the States to assume certain obligations before this money shall be expended. Had the Senator any intimation from the Reclamation Service that any such demand was to be made?

Mr. JONES of Washington. I received two or three months ago a copy of a letter from the Secretary of the Interior in which the suggestion was made that the States should contribute toward these projects as the States are contributing toward road building. That is the only suggestion that I have seen.

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. STERLING in the chair). Does the Senator from Washington yield to the Senator from Ohio?

Mr. JONES of Washington. I yield to the Senator.

Mr. FESS. I realize that for the last 10 years there has been a growing belief that in all of these developments there ought to be sharing in the expense by the States. The argument that has been presented is that frequently claims will be made upon the Federal Government that would not be made if the State were required to pay a certain pro rata amount; and I happen to know that those who have had charge of such legislation in another body were leaning to that policy. It has appealed to me as rather sound; and if in the State of Washington, for instance, through the Federal Government, there will develop a wealthy population, or a section now undeveloped will grow into a rich section, I have wondered why that section or the State should not support a part of the expense, when the wealth belongs to the State after it is developed. I will say to my friend that it seems to me there is some logic in it.

Mr. JONES of Washington. If it were put on the basis of a contribution toward the cost of the project, I am not sure but that I should have no special objection to it.

Mr. FESS. Is not that it?

Mr. JONES of Washington. Why, not at all. If, for instance, the Federal Government investigates a project in my State, and finds the cost of it to be \$5,000,000, then if it should say: "We will put in this project if the State will assume \$1,000,000 of it," I should not see so much wrong with it. There is a definite obligation. The State knows what it has to meet, and it can provide a way to do it, by way of taxation or something like that. But to say that the State shall assume the obligation and responsibility of the security, selection, and financing of settlers to enable the purchase of required livestock, equipment and supplies, and the improvement of the lands to render them habitable and productive, is something that I do not think ought to be required of any State. As a matter of fact, I do not think it is the duty of government to go into things like that at all. It is not necessary in my State, and I do not think it is necessary under any of these projects. With reference to the building of good roads, we say that the State must put up a certain proportion of the cost; and if we say that the State shall put up a certain proportion of the cost of reclaiming these lands—that is, making the water available so that the settler can put it on—I do not see anything so wrong about that. That would be a policy that is definite and certain and practicable, and it could be carried out. This policy, however, can not be carried out at all.

I do not know whether the Senator was in the Chamber a moment ago or not; but suppose the State of Washington should enter into a contract to do that when the project is completed, and suppose when the project is completed it should not do it. What remedy has the National Government? Would Congress send out a troop of Cavalry or a regiment of the Regular Army to compel the State of Washington to do these things? It simply invites trouble, in my judgment, between the States and the National Government. But, of course, if the Federal Government says, "Here is a project that will cost \$5,000,000; we will undertake it if you will put up \$1,000,000," and they put it up, there will be no trouble about it. I can see all sorts of trouble, in addition to the socialistic principle involved in it, in attempting to carry out a provision of that sort.

Mr. FESS. I am glad to have the Senator say that in the original development of a section of country that ultimately will grow into a wealthy section and be a great tax-producing source the State should join the Government in doing that. I think that is logical and equitable. I had not gone into the details of this particular item.

Mr. JONES of Washington. No; I know that; but it is this particular item that confronts us now.

Mr. WALSH of Montana. Mr. President—

Mr. JONES of Washington. I yield to the Senator from Montana.

Mr. WALSH of Montana. Before that particular matter is passed, I should like to say that the views of the Senator from Ohio, to my mind, are formed without reflecting upon the origin and nature of the reclamation policy at all.

The reclamation policy contemplates the improvement of the Government's own lands. The public lands belong to the Government of the United States. It is desirous of disposing of those lands in such a way as will benefit the Government of the United States. If they are not reclaimed in some way or other they remain absolutely useless and idle, except for the natural forest that grows on them, of comparatively little value. The Government desires to reclaim these lands, so that they can be taken up and utilized for the development of the whole country, the same as the lands out in the States of Indiana and Illinois and Iowa that were given away by the Government to the people who developed them and made them sources of revenue to the National Government. So, from that point of view, there is no reason on earth why the State should contribute in any degree. More than that, however, these appropriations that go for the purpose of carrying on works of reclamation do not entrench upon the ordinary revenues of the Government at all. They are not contributed by any taxation of the people of other sections of the country.

We do not invade the General Treasury for this purpose at all; but the money comes from the sales and other revenue from the public lands that are not taxable in our States, and there are great areas of them there from which the States can derive no revenue at all by taxation; and it is just simply the utilization of that money for the purpose of reclaiming primarily these lands that belong to the Government. It has so happened that in all of these cases settlers have already gone upon the public domain and have acquired title to some of the

lands, and they are brought in merely to contribute to the general result that is to be achieved for the purpose of improving the Government land. Now, where does the State come in on this?

Mr. FESS. Mr. President, will the Senator yield?

Mr. JONES of Washington. Certainly.

Mr. FESS. I want to make an inquiry of the Senator from Montana purely for information.

Mr. WALSH of Montana. I appreciate that.

Mr. FESS. The Government permits the settler, and under certain conditions the settler gains title to the property. He gains it from the Federal Government. Suppose that land is in the boundaries of Montana. After the settler secures the title, is he a citizen of the State of Montana as well as the Federal Government, as he would be if it were in Ohio, and would he pay a tax to Montana, the same as he would if he lived in Ohio?

Mr. WALSH of Montana. Of course, the Constitution provides that every citizen of the United States is a citizen of the State in which he resides.

Mr. FESS. I understand. I am putting it the same as in Ohio, where we have no public lands.

Mr. WALSH of Montana. Yes. The people of Ohio do not contribute one dollar to this fund.

Mr. FESS. No; the question I am asking is whether a settler on Government land who comes into the possession of the title to that land, the land being within the boundaries of Montana, is a taxpayer in Montana?

Mr. WALSH of Montana. Of course, as soon as he gets patent to the land, the land becomes subject to taxation.

Mr. FESS. That is what I mean.

Mr. WALSH of Montana. But the land is not subject to taxation by the State until the reclamation project is complete.

Mr. FESS. If the Senator will permit me, I think he has made a differentiation there that is of value and was in my mind when I was on the floor a moment ago. The main thing I tried to bring out was this: In our various appropriations, for example, to deal with the boll-weevil or to deal with tuberculosis that might be found in a certain State in cattle, I am wondering whether it would not be the better policy, whenever we make an appropriation to be used within a State for such a purpose, although now it is wholly Federal, to require the State to join in the obligation.

Mr. WALSH of Montana. But the Senator must bear in mind two distinct features: First, that you are not taking the money out of the funds contributed by the taxpayer at all. You are simply putting into the fund the amounts received from the sales of the land in these public-land States where the irrigation projects are carried on.

Mr. FESS. That makes a difference.

Mr. WALSH of Montana. In the second place, the work is not carried on, as in the case of the extinction of the boll weevil, for the exclusive benefit of the private owner of the land. The Government of the United States is improving its own land, and the expenditure is made in order to make more valuable to the Government for disposition in the public interest lands that would be of practically no value to it without the irrigation.

Mr. FESS. I admit that the two cases are not on an equality.

Mr. JONES of Washington. Mr. President, of course, in making my answer as I did, I took into account the peculiar situation in my State. We find conditions different in the different States. In some of the States there is more public land for these projects than in others. In my State I confess that it is largely private lands now that are covered by these projects. So while I probably should not have said that the States should contribute, I think that the owners in the units should probably contribute a certain part of the funds, although this must not be overlooked, as the Senator from Montana has said, that this money, while it may come directly out of the funds of the United States, especially from the reclamation fund, is repaid to the Government. The land owners must repay and they will repay, and they have been repaying.

Mr. FESS. Mr. President, if the Senator will permit, I can explain the source of my inquiry to him. For 12 years I have been listening to the representations as to the development of the West, and have always had more or less sympathy with the suggestions made; but frequently, after there has been a representation and we have acted upon it officially, we have been asked either to extend the time or to give other relief, until I have come to have doubt as to whether originally we did not do the wrong thing. I have felt that if we would

require the States which are representing the needs to supply a part of the burden we would be less apt to do what otherwise we would do. That is the idea I had in mind.

Mr. JONES of Washington. I do not think the Senator need worry about that. These projects have been very carefully looked into. It may be that there are one or two that should not have been taken up; but if anybody is responsible for that, it is Congress. It is the Members of Congress who have brought pressure to bear upon the Reclamation Service to take up this project or that.

Mr. FESS. I would like to state to the Senate that I have favored these proposals which seemed possible in the belief that development was much better than to leave the matter in an inactive state. I have never resisted these improvements, but I confess that sometimes when we have taken action, later on requests have come in which have led me to believe that we had not fully considered the possibilities when we took the initial action.

Mr. JONES of Washington. I want to call the Senator's attention to one fact. Of course, I can speak more particularly with reference to the projects in my own State than with reference to projects in other States. I do not know whether the Senator heard me read the figures—

Mr. FESS. The Senator means as to the last year's projects?

Mr. JONES of Washington. Yes.

Mr. FESS. Yes; I did, and they were very remarkable.

Mr. JONES of Washington. That land without irrigation is absolutely a desert, just as much a desert, practically, as the Desert of Sahara.

Mr. FESS. It would be a crime to leave it as a waste.

Mr. JONES of Washington. It would be criminal for the State, as well as criminal for the National Government. What does it do now? It furnishes thousands of dollars of income taxes to the Federal Treasury. What did it do when the World War came on? It furnished hundreds of boys to go to the front. Take that whole territory out there. When I first went out there there were only a thousand people in Yakima. Now there are 20,000 people in that city alone. These 190,000 acres produce fourteen or fifteen million dollars' worth of products, are inhabited by sixty or seventy-five thousand people, just as good citizens as you can find anywhere in the world—many of them from the State of Ohio. They furnished regiments of soldiers for the war. The National Government gets the benefit of that, gets the benefit from these income taxes, and all that sort of thing. As the Senator from Utah [Mr. Smoot] suggests, if it were not for the reclamation of that territory a jack rabbit could not live there.

Mr. FESS. I am so much convinced of the wisdom of doing what is possible that I am one of the Members of Congress from the eastern part of the country who has always stood for any reasonable work in reclamation, and I do yet. In fact, I supported the building of the railroad up in Alaska, because I thought that if we did not complete it, the territory to be served by it would never amount to anything, but that with the construction of the railroad we might reclaim a great section of country. I do not know whether it was wise to do that—I have had a little doubt about it—but I did it in the belief that it was a forward-looking proposal.

Mr. JONES of Washington. The cost of these projects will be repaid. The Senator knows that agriculture has been in hard straits for the last few years, and so the people on these projects, as elsewhere, have come to Congress asking, not to be relieved from payment, but to have more time. They will pay up. They will pay the cost of all the projects everywhere all over the country. The Government will not lose a dollar on them.

Mr. KENDRICK. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Wyoming?

Mr. JONES of Washington. I yield.

Mr. KENDRICK. I desire to ask the Senator if it was not the high purpose of the Government in the beginning, even with the Mid-Western States, in which it owned lands, to build Commonwealths, and if it is not true that the chief distinction between the action of the Government in settling the Middle Western States, and in settling the Western States, is not, in effect, that in the former, which have plenty of precipitation and wonderfully rich lands, the Government donated the lands to the settlers, while in the West, under the reclamation acts, the settlers are required to pay every dollar of the cost of the reclamation of the land? Is not that the principle difference in the situation?

Mr. JONES of Washington. It is a very great difference.

Mr. KENDRICK. And with the overhead expenses added, as the Senator from Utah says.

Mr. JONES of Washington. Even after getting his land the settler must level the land and get his ditches built, and that is far more expensive than cultivation on the great prairies in Illinois and Iowa, and the different sections of the country which were, as the Senator has said, practically donated to the settlers.

Mr. KENDRICK. But I call the Senator's attention to the fact—and I hope he will bear with me a moment to do so—that under our reclamation acts in the West, which are so much decried in the Halls of Congress, the expense of reclamation is unusually heavy, the cost of operation great, and yet it affords many advantages over any other system of agricultural production.

Mr. BURSUM. Mr. President, will the Senator yield?

Mr. JONES of Washington. I yield.

Mr. BURSUM. Is it not true that some of these reclaimed lands cost as much as \$100 an acre?

Mr. SMOOT. To reclaim them?

Mr. BURSUM. To reclaim them.

Mr. SMOOT. More than that.

Mr. BURSUM. The building of the dams and ditches and canals—

Mr. JONES of Washington. On the unit to which I referred a moment ago the fixed charge was \$93 an acre.

Mr. BURSUM. One of the mistakes made in the beginning of the program was requiring the maturity of the debt at too early a date—for instance, 15 years.

Mr. SMOOT. Ten years.

Mr. BURSUM. Ten years at first. Everyone knows that it would be impossible to pay out \$100 an acre within 10 years, and, of course, the farmers have been obliged to come and ask for more time. The period for liquidation should not have been fixed at less than 40 years to begin with, and if that had been done, I do not think we would have found any farmers coming to Congress for an extension of time. There is no disposition on the part of the farmers on any project, so far as I know, to think for one moment of repudiating a single dime they owe the Government. All they want is a reasonable time in which to liquidate.

There is another reason why the States, in my opinion, could not cooperate in lending the money—because that is what it means—in that in many of the Western States the Government of the United States owns from 40 to 60 per cent of the land.

Mr. SMOOT. More than that.

Mr. BURSUM. In some cases 70 or 75 per cent. In the great State of Ohio, or the great State of New York, if 75 per cent of the land were turned over, how would they maintain their government, and how would they develop their States? It would be an impossibility. There is every reason why the public lands should be capitalized and used in developing the lands within the boundaries of the States, and the lands within those boundaries ought to be an asset, they ought to be a resource, out of which the State can maintain a government, and take care of its expenses. I do not think it is feasible to ask the States to furnish a single dollar under those conditions. There should not be any objection to using and capitalizing resources within the boundaries of those States for the development of the States themselves. It means an asset and an income and a resource to the Federal Government.

Mr. JONES of Washington. As far as that is concerned, if the Federal Government never got a dollar of this money back, it would still be to the good.

Mr. BURSUM. It never put up a dollar, did it? Whose money does it handle? It is merely a trustee.

Mr. JONES of Washington. That, of course, is true, but in another sense it is taken out of the Treasury, because the receipts for public lands, of course, are put into a reclamation fund. It is just the same as going into the Treasury of the United States and being reappropriated. As far as that is concerned, there is no use closing our eyes to that phase of the situation, but in my judgment the Government has never made a better investment than when it has invested its money in the reclamation of these lands, and provided homes for settlers, who will not only be the manhood of the Nation in time of war, but will also furnish the sinews and carry on the Government in time of peace.

Mr. GOODING. Mr. President, I want to say to the Senator from Ohio that I am quite sure that if the Government will turn back to the people of the West that which they have taken away from them, we will not ask the Government to come out there and build roads or build irrigation projects. The Government has taken 36 per cent of all the forests in my State.

Thirty-six per cent of my State is in a forest reserve. We pay a royalty on coal lands and oil lands. The great State of Ohio has all its lands free, all the coal free, all the oil free. We are conserving these forests for posterity, and I think it is the part of wisdom, too; but the Government should not ask the people to go on and bring about the development of their Commonwealth after they have taken at least 36 per cent of the State and turned it back to the Government, between the parks, the forest reserves, the Indian reservations, and public lands which have not been settled yet, and never will be settled, as far as making homes is concerned. We have not much left in the State of Idaho. That is the condition the General Government has left us in. Give us back what you have taken from us and we will not ask for more.

Mr. FESS. What would you do with this if you had it?

Mr. GOODING. We could sell our forests. We have in Idaho the greatest white-pine forests in America; and yet they all belong to the Government, are being kept for posterity. They are all being conserved.

Mr. BURSUM. Mr. President—

Mr. JONES of Washington. I yield to the Senator.

Mr. GOODING. No State in the Union is richer in its natural resources than is the State of Idaho; but it is all taken away from the people.

Mr. BURSUM. I desire to call the attention of the Senator from Idaho to the fact that that pine timber is being conserved for the benefit of the people of the States of Ohio and New York, and every other State in the Union. The State of Ohio is being supplied to-day with timber which comes from those forests, and the same may be said of nearly every other Eastern State.

Mr. KENDRICK. Mr. President, will the Senator yield?

Mr. JONES of Washington. I yield.

Mr. KENDRICK. I just wanted to say in connection with the statement made by the Senator from Idaho that the royalties received by the National Government from oil in my State will probably prove equal to the amount invested in the reclamation of its lands.

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from New York?

Mr. JONES of Washington. I yield.

Mr. COPELAND. I do not quite get the drift of the discussion. Is there opposition to the reclamation of this territory in the West?

Mr. JONES of Washington. It is being tied up with a provision in the bill in such a way that the development will be stopped.

Mr. COPELAND. I want to say for myself that I think that would be a very unpleasant situation. We are not reclaiming much land in my State nor spending any public money for irrigation, but there is not a State in the Union more interested in the development of agricultural land and territory where crops can be grown and produced in quantity, because that means for the teeming millions of my city better and cheaper food. So, for my part, I want to be on record as being most generous in the use of funds for this particular purpose. I hope there is no disposition on the part of the Senate to interfere with this great activity.

Mr. JONES of Washington. Here is the situation with reference to the particular project in my State, and it relates to other projects, too. I use this as an illustration because it is the particular one in which I am interested. Some money is appropriated to carry on the work, but an express limitation is put in that no part of the money shall be expended until the State shall enter into a contract with the United States Government to do certain things after the project is completed, such as securing settlers, financing settlers, loaning them money to buy equipment, build homes, and all that sort of thing that the State probably has no authority to do and ought not to be required to do. How such a provision would be enforced if a State should fail to do it I do not know.

Mr. GOODING. Mr. President—

Mr. JONES of Washington. I yield to the Senator from Idaho.

Mr. GOODING. I want to say to the Senator from New York that I am quite sure the Senate does not want this legislation and I doubt very much if the House wants it. But a certain Member of the House has forced the legislation on the Senate, and apparently in order to get the appropriation bill passed the conferees were forced to accept it or the Interior Department appropriation bill must go over and be defeated. It all comes from one man who has dominated the House, and an eastern man at that, who has no reclamation in his

State, who is an enemy of the West and an enemy of reclamation. There is no doubt about that. Possibly we will have to accept this for the time, but never again. Let us have that understanding—never again!

Mr. DILL. Why now?

Mr. GOODING. I think, in the best interest of all concerned, we had better take it for the present, but only for the present.

Mr. HARRISON. Mr. President, will the Senator from Washington yield to me?

Mr. JONES of Washington. Certainly.

Mr. HARRISON. The Senator from Idaho says that one man has dominated this matter. I did not understand that there was only one conferee. My understanding was that there were three conferees representing the House and it takes two of the conferees, as I understand, to present the position of the House.

Mr. GOODING. I have been advised that this one man has dominated the conferees. He has done so on other reclamation questions that have come up. He has done so continuously. I do not think there is any doubt about that. The whole matter has been referred to him, as I have been advised on the situation, and that is what has happened.

Mr. HARRISON. The Senate it seems has gotten into the habit of allowing the House to dominate it. I saw the Senate this afternoon dominated by the House in making the Senate walk backwards and repudiate what it had done last week, by compelling the Senate to swallow a 2-cent parcel-post rate.

Mr. JONES of Washington. I am not criticizing any Member of this or any other body. I am not impugning the motives of any Member. I am trying to present the matter to the Senate upon the merits of the proposition, trying to present the situation that confronts us with reference to these projects, trying to appeal to the good judgment of the Senate as to what is the wise thing for us to do. I am not attacking any Member of the House or Senate. I am giving them the same credit for honesty and sincerity of purpose in what they are doing that I would ask for myself.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. JONES of Washington. Certainly.

Mr. COPELAND. We have just one of two courses to adopt, either to accept the conference report or to insist on our amendment.

Mr. JONES of Washington. Yes.

Mr. COPELAND. What does the Senator propose?

Mr. JONES of Washington. What I want done is to reject the conference report and send it back to conference. In my judgment, we will get an agreement if the House sees that we do not intend to stand for this proposal.

Mr. SMOOT. We have done that once.

Mr. JONES of Washington. No. While technically the Senator from Utah is correct, the conference report was agreed to when the Senator from Montana [Mr. WALSH] and myself did not know it had been done. I will say that I probably should have known and probably should have been here. I do try to be here most of the time, and think I am here most of the time, but I happened to be away just at that time. As a matter of fact, I had the impression, though I do not know how I got it, that the conference report had to be dealt with first by the House. I probably ought to have known differently, but it came up in the Senate and went through without a word of discussion.

Mr. COPELAND. Are there any other items involved?

Mr. JONES of Washington. There is an item in the State of Montana affected just as this one is. As the Senator from Montana has pointed out, and I agree with him, this is simply the entering wedge toward the abolition of or at least radical change in the reclamation policy of the country.

Mr. COPELAND. The Senators from Montana and the Senators from Washington, I suppose, will have to determine largely what we are going to do about this. If we send the conference report back how long would it take to get another report?

Mr. JONES of Washington. I may be wrong about it, but, in my judgment, we can have a report ready by day after to-morrow.

Mr. COPELAND. Why not send it back?

Mr. JONES of Washington. That is what I would like to do. The Senator from Utah does not agree with me in that opinion, and he is a member of the conference committee.

Mr. SMOOT. Mr. President, I am just as sincere in the statement I make as any other Senator.

Mr. JONES of Washington. I know the Senator is sincere and he is as much interested in reclamation as I am.

Mr. SMOOT. I say to the Senator and to the Senate that it was not only one man on the conference committee that disagreed. The Senate conferees were told that the House would not yield.

Mr. JONES of Washington. And yet the Senator knows that the House has never had an opportunity to pass upon the conference report.

Mr. SMOOT. We had the papers and it has to come here first.

Mr. JONES of Washington. They have not had an opportunity to pass on it.

Mr. SMOOT. If we send it back to conference, it can not go to the House even then. It would have to come here first. The papers are here. It has to be acted on here before ever the House will have its chance to pass the matter.

I would not be asking the Senate to accept the report if there was not some way of meeting the situation ultimately. The senior Senator from Wyoming [Mr. WARREN] and I, as chairman of the subcommittee that has the matter in hand, have both made a statement to the Senate to-night as to just what we intend shall be done next year. I say now that this is not a precedent. The Senate shall not agree that it is a precedent, and whatever action we take shall never be cited to by the conferees of the Senate in the future as a precedent. We want the Senate to understand that. We have stated it time and time again. I say so again to-night, and I do not know what more I can do. If we want the bill passed the only way is to agree to the conference report. That is the only way we can get it through the House. We can not get it in any other way.

Mr. FESS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Ohio?

Mr. JONES of Washington. I yield.

Mr. FESS. I have considerable sympathy with what the Senator from Washington has said. I am going to vote for the conference report—

Mr. JONES of Washington. Oh, do not make that conclusion yet.

Mr. FESS. I am going to do it for this reason. I have gone over it. I know from the disposition of a Member of the House with whom I am most intimately acquainted that within the few days only that are left there will be an agreement on the conference report. If we had two or three weeks left I would be willing to stand here all the time that was necessary to win what we in the Senate think is ours to win. I also think that while at this particular moment it might be regarded as a precedent, yet it has been stated over and over that it will not be so considered by the Senate conferees. I know as certainly as anyone can be morally certain of a thing that if we reject the conference report the bill will not be passed during this session.

Mr. SMOOT. Mr. President, I want to repeat to the Senate that so far as I have any power and so far as the chairman of the Committee on Appropriations has any power, this very item next year will be repealed. We have four more days of the present session, and if it were a long session I would not be here asking the Senate to accept this conference report.

Mr. DILL. But the Senator would be forced to accept it just the same some time or have no bill?

Mr. SMOOT. I do not know as to that.

Mr. DILL. If we had four weeks the four weeks could end without possibility of agreement.

Mr. SMOOT. But things may happen when we have time that can not happen under existing conditions.

Mr. BORAH. Mr. President, I should like to say just a word.

Mr. FESS. Will the Senator from Idaho yield for just one statement?

Mr. BORAH. Yes.

Mr. FESS. The Senator from Utah [Mr. SMOOT] has referred to the fact that we have the papers in this body. That does not necessarily mean that we must keep the papers. Under former procedure we could surrender the papers to the other House. That has been done under the ruling of former Speaker Champ Clark in a controversy like this now before us; so if this were a long session and we had plenty of time this matter could be worked out.

Mr. SMOOT. I want to say that the Senate added a great many amendments to this bill and the House conferees have yielded on about all of them.

Mr. JONES of Washington. I hope they have not yielded those amendments in order to secure the adoption of these provisions.

Mr. SMOOT. No. And the Senator knows that I have done everything that I could in relation to the matter; but we are up against the proposition: Will we accept this provision or let the bill fail?

Mr. JONES of Washington. I have no criticism to make of the Senator from Utah.

Mr. BORAH. Mr. President—

Mr. JONES of Washington. I yield to the Senator from Idaho.

Mr. BORAH. It seems to me that we are contending with a situation more serious than I had supposed and more serious than some of the Members of the House, perhaps, realize. In a letter from the Secretary of the Interior to the President, of December 11, I seem to find the exact policy which is apparent in this bill. Outlining the policy which should obtain in the reclamation program hereafter, among other things, the Secretary of the Interior says:

5. On all projects undertaken hereafter the State in which the development is located should participate in the selection of settlers and the development of farms. The States should not be required to contribute to construction costs, but should be required to contribute to the fund provided for advances to settlers for farm development, as they now contribute to the construction of roads and to agricultural education.

It is apparent that we are dealing with a change of policy not originating with the conferees on the part of the House of Representatives alone, but with the administration.

Mr. GOODING. Mr. President, I will say to my colleague that evidently the Secretary of the Interior has changed his position in this respect, because he has approved a bill which has been reported out of the Irrigation and Reclamation Committee of the Senate which provides that the Government shall furnish the funds with which to loan a settler as much as \$7,500 if the settler has the proper security and other qualifications. The State is not asked to participate in the raising that money or providing such loans in any way.

Mr. WALSH of Montana. Will the Senator from Idaho give the date of the letter from which he has read?

Mr. BORAH. The letter is dated December 11. I have an idea that this matter did not originate with the gentleman from Michigan alone.

Mr. JONES of Washington. Mr. President, this is a very serious situation, in my judgment, and I think the results to be expected from the adoption of this conference report are much more serious than the results which would come from the failure to adopt it.

I can not help but feel that we are serving the country best and serving the reclamation policy best by defeating this conference report, even though it results in the final defeat of this particular bill. In that event probably a joint resolution would be necessary to continue the appropriations of the last year, although of course that might not meet the situation very effectively. Personally I myself have no objection to an extra session. I think we could very well spend two or three months here in passing legislation that ought to be passed but that otherwise will not be passed. I am simply expressing my personal view about that.

Mr. FESS. Mr. President, will the Senator yield to me?

Mr. JONES of Washington. I will gladly do so.

Mr. FESS. If we should pass a continuing joint resolution, what chance would there be for it getting through the House?

Mr. JONES of Washington. The House would first pass such a joint resolution. Mr. President, will it hurt us any worse than it will hurt them if we fail to pass this legislation? I can not see why we should hesitate to discharge our duty and our responsibility because some other body does not see fit to do what really, in my judgment—I may be mistaken, of course, in my judgment—ought to be done.

I really do not know that we shall get rid of this provision in the next bill. I know that we can probably adopt a provision in the Senate repealing it, and making immediately available the money that we may appropriate this year and that will not be expended, but nobody can tell what sort of a situation will confront us when that matter comes up for consideration.

Mr. GOODING. Mr. President—

Mr. JONES of Washington. I yield to the Senator from Idaho.

Mr. GOODING. I wish to say to the Senator from Washington that the pending appropriation bill for the Interior Department is something more than the ordinary appropriation bill for that department. There is organized at the present time a force to inspect all the irrigation projects of the country and to bring about necessary readjustments. I am sure

the Senator from Washington and every other Senator from the arid regions of America knows that work is of great benefit to us and must go on.

Mr. JONES of Washington. Is the appropriation for that purpose carried in this bill?

Mr. GOODING. The appropriation is carried in the bill; the machinery is all set up; the men are on the ground carrying on this work at the present time. I am referring to the fact finding commission bill that was passed.

Mr. JONES of Washington. The Senator does not mean a committee of Congress?

Mr. GOODING. Not at all. I am referring to a commission from the Interior Department and the Reclamation Service.

Mr. JONES of Washington. If we have a few more fact-finding commissions, we shall not have any Reclamation Service.

Mr. GOODING. The Fact Finding Commission, to my mind, is doing the greatest work that has ever been done for irrigation. Without that work the irrigation service would have been broken down; in fact, it was broken down. We have legislation now that will save it; there is no doubt about that. I am living on an irrigation project, and I know.

Mr. JONES of Washington. Then why should we permit this proposed legislation in regard to certain irrigation projects?

Mr. GOODING. I agree that such legislation should not be permitted, and if we had no pledges here that it is not to be permanent legislation, I would oppose it, and I think I should oppose the conference report anyway if it were not for the extraordinary conditions that exist on the reclamation projects in the West.

Mr. DILL. Mr. President, will my colleague yield?

Mr. JONES of Washington. I yield.

Mr. DILL. Is not the surest way not to get permanent legislation never to enact it?

Mr. GOODING. But, from what the Senator from Ohio says, we can not very well prevent the proposed action now. He knows the gentleman, and says he can filibuster in some way in the House or in the committee and prevent this bill from becoming a law.

Mr. DILL. But this particular matter has never been before the House and voted upon by the House after consideration and discussion.

Mr. GOODING. Evidently, from what the Senator from Ohio says, it will never get there; that is the trouble.

Mr. SMOOT. Mr. President, I should like to say—

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Utah?

Mr. JONES of Washington. I yield.

Mr. SMOOT. If the conferees on the part of the House refuse to sign the conference report, we can not act; a majority of the conferees on the part of both Houses have to sign the conference report before it can ever go to either body.

Mr. DILL. The Senator from Ohio pointed out that the papers might be returned to the House and they might there have a vote on this question.

Mr. SMOOT. They can not have a vote on it if their own conferees will not sign the report. That is what we are up against. I plead with the Senators now if they want the appropriations provided in this bill to agree to this conference report and we will later get out of the situation in some way or other.

Mr. LENROOT. Mr. President, if the Senator will yield, I will say there is no way by which the House can vote on this question.

Mr. SMOOT. Not at all.

Mr. JONES of Washington. There is no way for the House to vote at the present time. Of course, I know that.

Mr. LENROOT. There is no way by which they can vote on this bill except through the medium of the conference report.

Mr. JONES of Washington. That is what I know; but I had hoped we should get another conference report.

Mr. KING. Mr. President, will the Senator yield?

Mr. JONES of Washington. I yield.

Mr. KING. I should like to ask the Senator from Wisconsin [Mr. LENROOT] a question for information. Does the Senator mean to say that the House has lost absolute control of its own conferees and might not by resolution, when the papers are in the control of their conferees, return the bill to the House for action by it?

Mr. LENROOT. This is not an amendment that has been adopted to the bill, but is a part of the bill. If it had been an amendment, or anything of that kind, they could vote upon it; but there is no way, under the rules of the House, by which

they could vote upon this particular proposition except to instruct their conferees.

Mr. KING. That could be done. I am not so sure that under the rules of the House they might not instruct the conferees to bring the bill back to the floor of the House, and certainly they could instruct the conferees how to vote.

Mr. LENROOT. They can instruct the conferees to accept the Senate amendment.

Mr. DILL. They can instruct and recede.

Mr. JONES of Washington. Mr. President, I wish to say just a word or two about this particular project. Our people are ready to begin the expenditure of this money. It is not a matter of securing this money and then not expending it for several months. They received a letter from the Secretary of the Interior advising them what they should do in order to have this matter in proper shape. They had to hold an election in the irrigation district. That election was held a week or two ago, and by a vote of 10 to 1 the proposition involved was approved. Now they are ready to begin work almost as soon as we pass a bill under which they may be enabled to secure the money. With this provision in the bill they can not do it, because they have got to wait for the State to enact legislation, if the State could do it, to comply with the terms of this provision. As I tried to point out, in my judgment, the State will never comply with this provision; the work, therefore, will be stopped, and the nearly \$2,000,000 which the National Government has invested in a reservoir to furnish water for those lands is absolutely frozen up, absolutely useless; if this policy should prevail it would be wasted. It does not seem to me that that is wise from the standpoint of the Government itself. Yet that is one of the propositions involved.

Mr. President, I have a great deal of confidence in the judgment of my colleagues as to what is wise and what is not wise. I try not to allow what might be called my selfish interest or the interest of my State to warp my judgment. I may be wrong but I believe that the best way to deal with this matter is to reject the conference report. If we should have to pass a resolution of some kind in order to avoid an extra session that could be done. Of course it might be attended by some inconveniences and loss, but the national Government is going to suffer loss if this bill should be passed in its present form. Furthermore we will be driving a nail into the coffin in which the effort is being made to place the reclamation policy of this country which, in my judgment, it will be almost impossible for us to pull out.

I do not question the sincerity of my good friend from Utah [Mr. Smoot] and the Senator from Wyoming [Mr. Warren] when they assure us that they will do everything they possibly can, when the next appropriation bill comes up, to get rid of this provision that nobody on this floor favors. They will do everything they can; but we do not know what the situation will be when such a bill comes before this body. We may be confronted with a situation almost analogous to this even in a long session of Congress, when Senators want to get away and Congress wants to get away, and when they will accept bills or reports like this in order to bring the session of Congress to a close. It seems to me that the wise way to deal with this matter is to deal with it here and now, and prevent the fastening of this policy, at any rate, upon the statute books.

We have been talking for some time and denouncing the putting of legislation upon appropriation bills, and yet what have we here? Last December we passed what we thought was a general reclamation policy in connection with the general reclamation law. The signature of the President had hardly dried until legislation was proposed practically devitalizing that legislation and put upon an appropriation bill, and here it is before us now, not as a legislative provision that has had the consideration of legislative committees, but a provision upon an appropriation bill, with no serious consideration in either body of Congress until now, on this conference report.

Mr. President, I hope that the conference report will be rejected.

Mr. LENROOT. Mr. President, I want to correct a statement I made a moment ago in reference to what I thought was the situation in the House. The House can not change the text of its own bill; but if the matter could be gotten before the House it could, of course, accept the Senate amendment striking out that portion of the bill.

Mr. DILL. Mr. President, I shall not attempt to review in detail the provisions of this conference report that have been so fully discussed by the Senator from Montana [Mr. Walsh] and my colleague [Mr. Jones]. I do not want anything I say to seem to be criticizing the Senator from Utah [Mr. Smoot] or anybody else; but I want to call the atten-

tion of the Senators to the fact that this conference report, if adopted, will set a precedent by putting on the statute books legislation that specifically oppresses new projects in the State of Washington and the State of Montana.

I know that Senators from Eastern and Southern States feel that this is not so serious; but I remind you that it is the beginning of a policy that those proposing it will later attempt to extend over the whole western country where they have reclamation. The Senator from Utah and the Senator from Wyoming are perfectly honest and sincere when they tell us that they will attempt to repeal it; but we can not hold up a conference report in the future because we want to repeal certain legislation if we do not hold up this conference report when we do not want it to be passed in the first place.

The Senator from Idaho [Mr. Borah] read a moment ago a quotation from a letter that was extremely significant. He pointed out that it was the purpose of the administration to have some such policy adopted; but instead of bringing in a law that would apply to the whole reclamation projects in the West they bring in two provisions, one applying to a project in Montana with somewhat burdensome provisions, and then one applying to a project in Washington with still more burdensome provisions.

It has been said here that nothing was said in the House about it, and it is true that no discussion of the details which we are discussing now was had, but it was mentioned in the House when the appropriation bill first came there, and the reason given for putting in these provisions was to "safeguard"—that was the word used—the Government's investment in this particular project in Washington and the one in Montana. The speaker there was referring to Washington, however. Now, if there is any part of the United States where reclamation is in operation that has shown that no safeguarding of this kind is necessary, it is the State of Washington. The reclamation projects of the State of Washington have repaid a larger percentage of the amount spent there than any other projects in the country. The State of Washington reclamation projects have been more successful than any other reclamation projects in the country; and because of that, it would seem, in effect, at least, the State of Washington is to be penalized by putting in these provisions requiring the State officials of the Board of Reclamation to make a contract, not only to have an irrigation district, not only to assist in repayment, but to guarantee the appropriation of money that will finance and provide livestock for these settlers.

I never have believed in a filibuster in this body; but there is one kind of legislation that more nearly justifies it than any other kind, and that is legislation that proposes specifically to penalize one State as against another. If it is the purpose of the Congress to pass legislation that will require the various States where reclamation projects exist to assist in equipping and financing the settlers, then let us bring in a bill and make it applicable to all the States where reclamation projects are; but in this case we find that the State of Montana is bound to certain provisions as to a contract that must be made with the State, and then the State of Washington is bound to all those provisions and additional ones.

Senators may say, "Well, this may be bad for the State of Montana and the State of Washington, but this appropriation bill will have to go through, and you will have to stand a little injustice." I suppose that that is true if we submit, and I am not in a mood at this time to attempt any filibuster to delay this bill, and yet I believe it would be justified if the Senators from these two States would hold up legislation rather than to permit a law to be put on the statute books that penalizes our States, while other States with new projects do not have the penalty applied to them.

It is the wrong method to permit legislation of this kind to be brought into existence. They start in with a provision in the State of Montana as a sort of a wedge, and then they push that wedge a little farther in the case of the State of Washington, and once they get it adopted they propose to push it further, when the only proper way is to strike out this legislation and bring in a bill here to establish a policy that will apply not only to Washington and Montana but to every other State that has reclamation projects.

Should that be done, I shall oppose it; I am not in favor of such legislation; but that legislation would be orderly, that legislation would be natural, that legislation would be proper if a majority of Congress saw fit to pass it; but legislation that penalizes one or two States at this stage of the proceedings, with only four or five days of the session left, and the good nature of Senators being depended upon to allow it to get through, is unreasonable and unjust, and should not be expected in this Chamber.

Mr. COPELAND. Mr. President—
The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from New York?

Mr. DILL. I yield to the Senator.

Mr. COPELAND. Will the Senator make clear to the Senate whether or not these projects ultimately take care of themselves? Do they finally pay back to the Government, so that ultimately there is no expense to the Federal Government?

Mr. DILL. The answer to that question can not be made fully, for the reason that under the present law we have not had time to pay back the full amount; and I want to be perfectly frank with the Senator and say that many of the projects are not paid up to date in their repayments.

Mr. COPELAND. I realize that; but the plan is such that in time the money will be repaid?

Mr. DILL. The plan is such that in time all the money shall be repaid.

Mr. COPELAND. It is entirely different from a good-roads project, where the Federal Government invests a certain amount of money, which is lost forever, so far as the Government is concerned.

Mr. DILL. Yes. Just a moment there. What would Senators think of a proposition in a good-roads bill which said: "We will require the State of New York to match, dollar for dollar, every dollar we put in their good roads, and we will let Pennsylvania and New Jersey and Massachusetts have money without putting up anything"? That is the proposition we face here on reclamation.

Mr. COPELAND. I can see that; that is very clear; but I think every Senator should know that these projects contemplate the return ultimately of the money. In other words, this is not a drain upon the country, and that is the reason why I have great sympathy for the Senators from the States involved, because, as I said a good while ago, we in the cities have an interest in the success of these schemes. So, for my part, I want to say that if the Senators from the States directly interested feel that they are willing to take the chance on this bill, and send it back to conference, all right; that is the kind of advice I should like to follow, because the Senator has made it clear that ultimately the country is going to suffer nothing; that the money which is invested will be returned, and we are only helping out in the development of our great country.

Mr. DILL. I want to say, in reply to the Senator's suggestion, first, that this money is all to be repaid to the Federal Government, to be used as a revolving fund to build still other projects, the construction charges of which will again be repaid. In the second place, while I am anxious to see the present Interior Department bill become a law, I say that I would rather the bill were defeated, and I would rather see a special session, if necessary—but it is not necessary, because we can have a continuing resolution if it comes to that—than to have legislation enacted here that specifically penalizes one or two States, while other States are given treatment without such penalties.

As I said a moment ago, the State of Washington is more nearly perfect in its repayment of the money invested in its projects than any other State in which the Reclamation Service has constructed projects; and it would seem that because of that the State of Washington is to be penalized if it has any more projects built there.

Mr. FESS. Mr. President, will the Senator yield there?

Mr. DILL. Yes.

Mr. FESS. I should like to have the Senator's opinion on one matter. This limitation is confined to one particular project, is it not?

Mr. DILL. One particular project in the State of Washington, and one in the State of Montana.

Mr. FESS. This is a new project?

Mr. DILL. Yes.

Mr. FESS. It does not apply to projects already begun?

Mr. DILL. No.

Mr. JONES of Washington. Mr. President, will the Senator permit me?

Mr. DILL. I yield.

Mr. JONES of Washington. This Yakima proposition is not a project; it is a unit of a project upon which the Government has spent about twelve or thirteen million dollars, and \$1,700,000 has been spent directly upon a reservoir to store water to cover these very lands. This is a unit of a project; it is not a new project at all.

Mr. FESS. What I wanted to get at was whether there are not projects outside of this one to which the limitation is not made which would suffer if we should fail to pass the bill now.

Mr. DILL. Of course, there are other appropriations in this bill that will not be made, if the bill shall not be passed, because a continuing resolution would not make the new appropriations; but I ask the Senator whether that is not as unjust as to compel these two States to accept the appropriations with the penalties provided here?

Mr. FESS. My thought was that if, in order to avoid this limitation on this particular project we should go to the extent of defeating the bill, the State of Washington would suffer considerably more than by the adoption of this proposition.

Mr. DILL. Absolutely not, because if the bill is passed with these restrictions on it we can not expend the money, we have no way of expending the money, because our State can not make the contracts that are required under this provision.

Mr. FESS. I hardly think it would be safe for us to depend upon passing a continuing resolution, because the other House would have to join in such action.

Mr. DILL. It has been done. If the other House wants a special session, of course, that is their privilege.

Mr. WALSH of Montana. Mr. President, let me inquire of the Senator from Ohio, if the Senator from Washington will permit me, whether he thinks the House would be quite willing to starve the Interior Department out of existence? What makes the Senator from Ohio think that the House of Representatives would legislate so as to make no appropriation for the salary of the Secretary of the Interior, and the Assistant Secretary of the Interior, and the head of the Geological Survey, and the head of the Bureau of Mines, and the head of the Bureau of Education, and the head of the Bureau of Pensions, and other officers of that character? What makes the Senator believe that the House of Representatives, in order to establish this principle, would starve the Interior Department to death?

Mr. FESS. To be very frank with the Senator from Montana, the statement of the Senator from Ohio was due to the fact that it has been stated to him that there was an agreement once, and that the agreement had already been acted upon in the Senate after a long controversy of weeks, and after that the Senate recalled the matter over which there was considerable controversy. I am of opinion, if the Senator will permit me, that the House would prefer to have a special session, which will not starve the Interior Department, but will bring the Senate into session.

Mr. WALSH of Montana. Very good; that will be quite satisfactory to us.

Mr. FESS. Probably that is what would be done, rather than pass a continuing resolution. That is what I am trying to get before the Senator from Washington.

Mr. DILL. So far as I know, there is no ultimatum that no continuing resolution will be passed. That is a matter that can be met if it must be met. The fact of the matter is that this conference report has not previously been acted upon after a discussion as to what it contained. I am not charging bad faith on the part of anybody, but it went through without a realization on the part of Senators interested as to what it did contain, and this is the first time it has been up for action with a full consideration by Members of this body.

Mr. FESS. The Senator from Ohio was in the Senate when the conference report was reported, and we acted upon it. I was not aware that there was anything at all in it that was prejudicial to any State.

Mr. DILL. I am not charging bad faith or charging anybody with taking advantage. I mean to be fair about that.

I want to call attention to another phase of this legislation. We have pending on the calendar in this body—I do not know what action has been taken in the other House—legislation providing that the Federal Government shall appropriate money and furnish money to settlers on these projects. The Committee on Irrigation and Reclamation of the Senate has considered it and reported it out. It is not yet a law; it is not the policy of Congress in connection with reclamation projects. This bill, by means of this provision affecting only two States, proposes to compel the States to adopt policies in regard to reclamation projects which it has itself never yet adopted and takes advantage of the fact that the Legislature of the State of Washington, in its efforts to help ex-service men locate on lands in that State, passed similar legislation. It takes advantage of that as an excuse for putting this particular provision on the project in the State of Washington.

As was stated a moment ago, a large sum of money has been spent to construct the extra units of the dam, making this water available on this Kittitas unit of the great Yakima project, and then, when we are ready to build the canals and the laterals, and make the land irrigable, they put upon us this special provision as a penalty, thinking that we are so

anxious to use the water and to have the project developed that we will accept it and it will constitute a precedent.

It is unfair, it is unjust, and the Representatives of those States who have any realization and pride of their State rights will not submit to it in silence. I remind Senators that if legislation on other questions in which the Federal Government spends money in the States had such special provisions attached as these reclamation projects have they would not think for a moment of submitting to it. I called the attention of the Senator from New York a moment ago to the fact that if the road bill, with its general policy that all the States make appropriations and that each State shall match the appropriation of the Federal Government, treating all States alike, contained a provision that certain States should double the amount which the Federal Government offered them while other States should continue as they have continued, the Senators representing the States discriminated against would be on their feet, and rightly so, fighting for the rights of the people they represent. Why? Because the good-roads program reaches every State in the Union. Reclamation reaches only certain Western States, and, as I have said, because in the State of Washington we are more nearly ready to run the water from the dam upon the dry land, the dam having already been built, they attempt to use this legislation on us first, and having established it as a policy, then they will extend it in the future.

I am not complaining because the appropriation for the project in Oregon has not this provision attached to it. I do not think it should be attached. I am not complaining because the project in Utah has not this provision attached to it. I can not overlook the fact that the gentlemen who put on this provision were careful not to put it on the Utah project, because the able Senator from Utah is the chairman of the committee over here, and they were careful not to put all these binding provisions on the projects of his State. I notice in looking through the discussion in the House that there were some provisions objected to, and points of order were made, and there were changes made, very wisely, I think, from the standpoint of those who wanted to get this legislation. I am not asking that these limitations be placed on other States which are starting new projects or new units. I am only asking that the State of Washington and the State of Montana shall be given the same treatment other States have which have new reclamation projects.

What has been done by the people of the State of Washington and by the people of the State of Montana that they should be penalized, that they should be bound by the law that their State legislatures shall make certain appropriations out of the taxpayers' funds before they can have more new projects in their States? What is the reason for that? There is none, other than the fact that it is thought that it can be put over because it is on a big appropriation bill, and a big bill will not be permitted to fail because of these provisions.

They know this legislation would not have a ghost of a chance of consideration even in the Senate if they brought it in as a separate bill for the project in Montana and in Washington and left the other projects without these provisions. But through the failure to insist upon the points of order in the House this general legislation is gotten on an appropriation bill, and a parliamentary situation has developed here in which we are told that the bill must fail or that we must submit.

I think Senators here ought to be as jealous of the rights of other States as of their own.

I believe that the right of the people of a State to have equal treatment with the people of other States is an inalienable right. I think it ought to be inalienable in the minds of legislators. The greatest provisions of the Constitution, aside from the power to amend it, are in the first 10 amendments, which provide that there are certain inalienable rights that no majority, no President, no Congress, no court can take away from the individual. It is the glory of American citizenship that certain rights are inherent in American citizenship. The right of free speech and free press, the right to worship God, the right to have a trial by jury, the right of bail, the right to be protected against cruel and unusual punishment—those are inalienable rights belonging to the citizen. So I believe that a State has a right to claim that it has certain inalienable rights, too, and one of these inalienable rights is that when the Federal Government is spending money under a certain policy it shall treat the States alike. This is a great consideration, and when no special reason is shown or given by anybody in either branch of the Congress, why lay this burden on these two States?

I do not believe in pleading for a section of the country or for a community merely because I represent it or asking for special favors, but when by law it is proposed that special penalties are to be put upon the people I represent I am driven, then, as the representative of the people who sent me here, to stand up and fight to the best of my ability, by calling the attention of Senators to the fact that if you permit this to be done to the State I represent and to the State of Montana, you must not expect us to assist in protecting you under similar circumstances when some other legislation is presented. What would you think of us if your State were being used as an entering wedge for a general policy, which ought to be developed as general legislation, simply by presenting it as part of an appropriation bill, and abusing a right?

I recognize that this conference report can be agreed to, because the four Senators representing these two States are not disposed to filibuster to the point of holding up all other legislation. We do not feel that we should go that far, but the very fact that we do not exercise that right—if the exercise of it were ever justified, it is justified on an occasion of this kind—ought to command more regard from Senators than if we did exercise it.

It is said that there is such a thing as senatorial courtesy. There ought to be such a thing as State courtesy, and it demands that the representatives of all the States shall see to it that every State is given equal treatment, especially when it comes to legislation of this kind.

I shall not take more time of the Senate. I only ask Senators to turn the situation around in their minds and ask themselves what they would do if legislation affecting their State, along with other States, particularly penalized the States they represent while it gave other States treatment they had been receiving were presented. Senators can disregard that if they will, but they are setting a precedent which may come home to plague them. If you do this, Senators, you will be setting a precedent you will regret in years to come.

Mr. JONES of New Mexico. Mr. President, I am extremely sorry that we find ourselves in the very serious predicament in which we do. The bill when it was considered in the House originally received practically no discussion. We are told here substantially that not a Member of the House had an opportunity to discuss the bill or if he had an opportunity he was not disposed to discuss it at any considerable length, at least this very serious problem. Whether that was because of the rules of the House limiting discussion or for what reason I do not know; but this innovation, this revolution in the policy existing for 20 years with respect to irrigation projects passed through the House without any serious comment.

The bill came over to the Senate. The Committee on Appropriations of the Senate struck out those obnoxious provisions and there was not a dissenting voice in the Appropriations Committee in taking that action.

The bill came back to the Senate, and the Senate without a dissenting voice ratified the action of the Appropriations Committee. The bill went into conference, and the action of the Senate with respect to the various other irrigation projects has been agreed to by the conferees on the part of the House, but there are two projects which seem to have been singled out for this very exceptional and, to my mind, extremely outrageous proceeding. If the action putting into this bill regarding these two projects shall obtain with respect to all the irrigation projects of the West, it is a death knell to all irrigation.

The State of Washington and the State of Montana will not submit to the dictation provided in this bill. I doubt if they could submit except by an amendment of their constitutions. The result is that as to those States the appropriation for these particular projects will be a nullity. There will be nothing done under them. As to the appropriation for the State of Montana, we are advised by the senior Senator from that State [Mr. WALSH] that they did not intend to use any of the appropriations for that purpose anyhow. But the distinguished Senator from Montana is looking to the future. He does not want this principle established, and I say that if it shall be considered as an established principle we might as well close up all the organizations for further development of irrigation in this country.

Mr. SMOOT. I agree with the Senator.

Mr. JONES of New Mexico. It seems to be a little more serious so far as the State of Washington is concerned. There they intended to use the appropriation for immediate consumption. Organization has already gone forward, and they are ready to experiment and begin the work of reclamation.

If the bill is to pass, it means that that work will not be done, this provision will not be carried out, and so we may just as

well feel that as to those two appropriations, especially the one for Washington, they have not been made at all.

Mr. President, the situation confronting us is serious.

Mr. SMOOT. Mr. President, right in that connection will the Senator yield to me?

Mr. JONES of New Mexico. I yield.

Mr. SMOOT. I want to say that all the appropriations which were made in the deficiency appropriation bill which was passed in the beginning of the present session of Congress all die on June 30 of this year. Nothing was said about it, but this very project has \$375,000 in that bill, and that extends the time for another year. I say to the Senator now that that is one of the three projects which goes back. It is a Senate amendment, and we can get it to the House as it is, and there is no intention on the part of the conferees of having anything put on as to those items that is not put on all of them.

Mr. JONES of Washington. I understand that, but if the Senator will permit me, can the Senator give me any assurance that the House will accept the amendment which provides that the \$375,000 appropriated in the deficiency bill will be reappropriated for the coming fiscal year? Suppose the House rejects the amendment.

Mr. SMOOT. This is just what I want to say to the Senator, as I said before. When I spoke to Mr. CRAMTON in relation to the three projects that are compelled, under the rules, to go back to the House, I said, "Let us have an understanding about these before we sign the report." Mr. CRAMTON said, "We can not do that." I said, "I want to know something about it, anyhow." He said, "I do not think we will have any trouble about agreeing to the three items." But he could not agree, because of the fact that it had to go to the House just as we passed it. I wanted to call the attention of the Senate to that situation.

Mr. JONES of New Mexico. I was just going to remark that there are a number of irrigation projects which will be seriously embarrassed and handicapped and obstructed unless the bill goes through at this session.

Mr. SMOOT. Every appropriation which was made in the deficiency appropriation bill will die on June 30 of this year, and not a dollar could be expended between now and then.

Mr. JONES of New Mexico. We are confronted with this situation. I was not one of the conferees, but I am sure I could not have added anything to the very excellent service which I am sure our conferees have tried to render. What position should the Senate take in these circumstances? We have relied on our conferees and no one has doubted the good faith, the hard work, and the intelligent effort of our conferees to come to some agreement. It is impossible for us as individual Senators to sense the situation as the conferees have done. They have sat upon the conference committee day after day. They have heard the arguments presented, and they come here and solemnly advise us that unless we accept the report there will be no general appropriation for the Interior Department at this session of Congress. I do not believe the Senate can afford to take that step.

It is asked here what about the future, and that if a few conferees of the House can force the Senate to accept this bill now they may do it at the next session of Congress and the next. I do not believe that is true, and I base that statement upon this fact: It appears here that the House never discussed the bill, that this question has never been presented to the House. I want to suggest that the Representatives of the great Western States, where these irrigation projects are put in operation, will see to it at another Congress that the House will discuss these propositions. There is the place for us to go. We can not sit here as one branch of the Congress and say that we shall have this against the combined judgment of the House.

If the House stands behind the conferees, we might as well close up the irrigation business now, but I do not believe the House does. I think we can be reasonably assured that when another appropriation bill comes before the House it will be discussed and the Members of the House from those States will see to it that no three men shall block these tremendous enterprises.

So while I deplore the situation I do not see that there is anything else for us in reason to do than to accept the report of the conferees and take our chances with the next Congress. If the great Senators from the States of Washington and Montana will go to the Appropriations Committee of the House next year or call upon their distinguished Members in that body from those States, we will never be confronted with such a dilemma again. I think we have quite justified it this

time and I think the only reasonable thing for us to do at this time is to accept the conference report.

SEVERAL SENATORS. Vote! Vote!

The PRESIDENT pro tempore. The question is upon agreeing to the conference report. [Putting the question.] The ayes appear to have it.

Mr. DILL. I ask for a division.

On a division, the conference report was agreed to.

RIVER AND HARBOR BILL

Mr. JONES of Washington. I ask unanimous consent that the Senate proceed to the consideration of H. R. 11472, the river and harbor bill.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 11472) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which had been reported from the Committee on Commerce with amendments.

Mr. KING. Mr. President, before we go further in the matter may I ask what is the program of the Senator from Washington for to-night?

Mr. JONES of Washington. I should like to get through with the bill if it be possible to do so.

Mr. KING. I do not think we can pass the bill to-night.

Mr. JONES of Washington. I understand it is desired to run the session until close to 11 o'clock.

Mr. HEFLIN. Let us proceed with it.

Mr. KING. We will take our time.

Mr. JONES of Washington. Mr. President, I ask unanimous consent that the formal reading of the bill may be dispensed with, and that the bill may be read for amendment, the committee amendments to be first considered.

The PRESIDENT pro tempore. Is there objection to the request?

Mr. KING. Just so it shall be read—

Mr. HOWELL. I object.

Mr. KING. I desire that the bill shall be read textually; I do not care when it is read.

The PRESIDENT pro tempore. The Senator from Washington prefers a certain request. The Senator from Utah does not agree to it.

Mr. KING. I say that I have no objection to agreeing to the request of the Senator from Washington, providing that at some stage of the proceeding the bill is read textually.

Mr. JONES of Washington. The Secretary will read the bill, of course.

Mr. KING. When I say "textually" I mean "textually" and not spasmodically or a sentence here and a paragraph there.

Mr. JONES of Washington. Very well.

The PRESIDENT pro tempore. It is then agreed that the bill shall be read textually, and that committee amendments shall be first considered. The Secretary will read the bill.

Mr. HOWELL. I object to dispensing with the reading of the bill.

The PRESIDENT pro tempore. The objection comes too late.

Mr. HOWELL. Mr. President, I made my objection previously.

The PRESIDENT pro tempore. Did the Senator object before the Chair announced that the request of the Senator from Washington was granted?

Mr. HOWELL. I did.

The PRESIDENT pro tempore. The Chair must accept the statement of the Senator from Nebraska that he made the objection.

Mr. HEFLIN. Mr. President, it has been five or six minutes since the Chair submitted the proposition to the Senate. I understood that there was no objection.

The PRESIDENT pro tempore. The Senator from Nebraska [Mr. HOWELL] has declared to the Chair that he did make objection before the Chair announced that there was no objection, and the Chair accepts the word of the Senator from Nebraska upon that point.

Mr. HEFLIN. Did the Senator from Nebraska rise and address the Chair and state his objection properly under the rule?

The PRESIDENT pro tempore. The Chair did not hear him, but he accepts the word of the Senator from Nebraska.

Mr. WARREN. Mr. President, I desire to say that I heard the Senator from Nebraska say that he objected to the request of the Senator from Washington, and he was standing in his place when he made the objection.

Mr. KING. I also heard the Senator from Nebraska object. Mr. JONES of Washington. I ask to have the bill read. Mr. HEFLIN. If the Senator from Nebraska objected—The PRESIDENT pro tempore. Does the Senator from Nebraska withdraw his objection?

Mr. HOWELL. I do not, sir.

Mr. JONES of Washington. The Senator from Nebraska, as I understand, insists upon the formal reading of the bill, so we shall have to proceed to read the bill through. Then we shall take up the committee amendments.

The PRESIDENT pro tempore. Then, the Senator from Washington merely asks that the Senate proceed with the consideration of the bill?

Mr. JONES of Washington. Certainly.

The PRESIDENT pro tempore. The Secretary will read the bill.

The Secretary proceeded to read the bill.

Mr. ASHURST. Mr. President, I rise to a point of order. The bill has been read twice, has it not? It is stated in the caption "Read twice." Is this the third reading of the bill?

The PRESIDENT pro tempore. This is the formal reading of the bill.

Mr. ASHURST. When was it "read twice"?

The PRESIDENT pro tempore. It has been read twice in the eye of the law.

Mr. ASHURST. But the caption, I repeat, states that it has been read twice.

The PRESIDENT pro tempore. The point of order is overruled.

The reading of the bill was resumed.

Mr. HOWELL. Mr. President, we are not able to hear the reading.

Mr. FLETCHER. That is because of the noise in the Chamber; it is not the reading clerk's fault.

Mr. HOWELL. We are unable to hear, Mr. President, the reading of the bill. There have been several sections that I have not heard at all.

The PRESIDENT pro tempore. The reading clerk finds difficulty in making himself heard in the noise that now exists in the Senate Chamber. Possibly the Senator from Nebraska does not realize that in the first reading the amendments proposed by the committee are not read. They constitute no part of the bill as it passed the House, and they are not read until they are proposed.

Mr. HOWELL. I am not requesting that the committee amendments may be read at this time.

The PRESIDENT pro tempore. The Secretary will continue the reading.

The reading of the bill was resumed and concluded.

The PRESIDENT pro tempore. The bill is before the Senate as in Committee of the Whole and open to amendment.

Mr. JONES of Washington. Mr. President, I now ask unanimous consent that committee amendments may be considered first.

Mr. HOWELL. Mr. President, I insist upon the bill being read on three separate days under Rule XIV.

The PRESIDENT pro tempore. Does the Senator from Nebraska object to the request of the Senator from Washington?

Mr. HOWELL. I do.

The PRESIDENT pro tempore. The bill is before the Senate as in Committee of the Whole and open to amendment.

Mr. HOWELL. Mr. President, I object to the consideration of the bill until it has been read on three separate days under Rule XIV.

Mr. SMITH. It has been read three times.

Mr. JONES of Washington. Mr. President, as I understand that refers to the bill upon its introduction.

Mr. SMITH. That is right.

Mr. JONES of Washington. Not after it has been introduced and referred to the committee. It has been read twice.

The PRESIDENT pro tempore. The bill has been read twice, and the formal reading has been already disposed of; and the bill is now before the Senate as in Committee of the Whole and open to amendment.

Mr. HOWELL. Mr. President, do I understand that the bill does not have to be read a third time?

The PRESIDENT pro tempore. The bill has been read twice.

Mr. HOWELL. May I ask when it was read the first time?

The PRESIDENT pro tempore. It was read the first time when it was referred to the Committee on Commerce.

Mr. HARRISON. Mr. President, I understand that amendments are now in order.

The PRESIDENT pro tempore. The bill is before the Senate as in Committee of the Whole and open to amendment.

Mr. JONES of Washington. I ask unanimous consent that committee amendments may be disposed of first.

Mr. HARRISON. I have no objection to that. I was going to offer an amendment.

The PRESIDENT pro tempore. The Senator from Nebraska has objected to that.

Mr. JONES of Washington. I did not know that.

Mr. HOWELL. Can not the bill be read again and the committee amendments read as they are reached?

Mr. JONES of Washington. The Senator from Nebraska asks if the bill can not be read again. Will the bill have to be read another time?

The PRESIDENT pro tempore. The Chair is of the opinion that it will not have to be read again.

Mr. HOWELL. Very well.

Mr. JONES of Washington. The Senator from Nebraska, as I understand, withdraws his objection to the consideration of committee amendments first.

Mr. HOWELL. I withdraw it, Mr. President.

The PRESIDENT pro tempore. Is there objection?

Mr. FLETCHER. That is the regular order, anyhow.

The PRESIDENT pro tempore. The Chair hears no objection. The committee amendments will be read by the Secretary.

Mr. JONES of Washington. And they are to be considered first, before other amendments.

The PRESIDENT pro tempore. And first considered. The Secretary will state the amendments of the committee.

The first amendment of the Committee on Commerce was, on page 1, line 7, after the word "designated," to strike out the proviso in the following words:

Provided, That no money shall be expended on the projects herein and hereby adopted during the fiscal year ending June 30, 1926, and that not to exceed \$10,000,000 shall be expended thereon in any fiscal year thereafter.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

Mr. KING. Mr. President, I should like to ask the chairman of the committee why this apparently wise provision was eliminated? There may be ample reasons, but I should like to know them.

Mr. JONES of Washington. Mr. President, this provision was eliminated in the first place because none of this would be expended during the next fiscal year, as the appropriations for that year have already been made. This is simply an authorization. A limit of \$10,000,000 a year was not deemed advisable, because conditions might make it much more economical to spend possibly a little more than \$10,000,000 upon these projects. The idea is that these projects will be carried on as rapidly as possible under the money that Congress may hereafter appropriate for this purpose. The Senator will understand that there is no appropriation that can be used for these projects now, or for the fiscal year 1926, unless Congress should make an additional appropriation. So the committee thought this proviso was unnecessary; not only unnecessary, but it might be injurious.

Mr. KING. Mr. President, as I understand this bill, it carries appropriations of more than \$40,000,000—

Mr. JONES of Washington. This bill does not carry any appropriation. It simply adopts projects for which appropriations hereafter will have to be made.

Mr. KING. As I glanced at the report which was made, I understood that it contemplated an appropriation of \$40,000,000.

Mr. JONES of Washington. It authorizes it.

Mr. KING. Exactly.

Mr. JONES of Washington. But it does not make the appropriation.

Mr. KING. It authorizes an appropriation of \$40,000,000.

Mr. JONES of Washington. A little over \$40,000,000.

Mr. KING. It increases the authorization made by the House approximately \$2,000,000.

Mr. JONES of Washington. About \$2,000,000.

Mr. KING. How long does the Senator think it will require to expend the authorized appropriation of \$40,000,000 plus?

Mr. JONES of Washington. We are appropriating for the next fiscal year \$40,000,000. It is expected that that will be expended during the next fiscal year.

Mr. KING. Then what I stated was correct—

Mr. JONES of Washington. That applies to projects which have been heretofore adopted.

Mr. KING. There is another bill, then, carrying appropriations of \$40,000,000?

Mr. JONES of Washington. We have to take what might be called two bites on these matters. We first authorize and adopt a project.

Mr. KING. I understand.

Mr. JONES of Washington. Then it must be prosecuted under an appropriation made thereafter in another bill. The \$40,000,000 we have appropriated is to be expended upon projects heretofore adopted. None of that can be spent upon these projects.

Mr. KING. That is to say, we have passed appropriations aggregating \$40,000,000, which were carried in the Army bill?

Mr. JONES of Washington. Yes; in the military appropriation bill.

Mr. KING. Now, we are asked to authorize projects which will cost \$40,000,000 more?

Mr. JONES of Washington. Yes.

Mr. KING. And a portion of that \$40,000,000 is to be expended during the next fiscal year?

Mr. JONES of Washington. No.

Mr. KING. No part of it?

Mr. JONES of Washington. None of it will be spent during the next fiscal year.

Mr. KING. Will any of the projects herein provided for call for appropriations in the coming year?

Mr. JONES of Washington. No; except that there is a provision in the bill for surveys to be made out of appropriations heretofore made, but none of the projects are to be carried on with money heretofore appropriated.

Mr. KING. May I ask the Senator, so that I may be clear about it, as to the first amendment, on page 2:

Saco River, Me., in accordance with the report submitted in House Document No. 477, Sixty-eighth Congress, second session, and subject to the conditions set forth in said document.

When will the work upon that project commence, and what will it cost, and where is the appropriation, if any, for it?

Mr. JONES of Washington. The project will cost, it is estimated, \$122,000, \$20,000 of which is to be contributed by the locality. There will be no appropriation available for it until the fiscal year 1927. Whether any of the money appropriated for that fiscal year will be spent upon this or not we can not tell. If it is appropriated in a lump sum it will be placed on those projects which we have adopted, which the engineers deem to be the most urgent. So there may not be any money expended on this project for three or four years.

Mr. KING. Does the Senator mean to say that any part of the \$40,000,000 carried in the Army bill will not be spent upon some of the projects herein mentioned?

Mr. JONES of Washington. None of it. None of that money can be spent upon projects adopted after the appropriation. That is for projects already adopted.

Mr. KING. Are not some of these old projects?

Mr. JONES of Washington. No.

Mr. FLETCHER. No work can be done under any provision of this bill until an appropriation is made for it.

Mr. KING. I understand that, if they are new projects.

Mr. FLETCHER. They are all new projects.

Mr. JONES of Washington. There may be some additions to projects, or modifications of projects.

Mr. KING. They are not all new projects, because I have here hundreds of pages of reports, nearly all of which I have read, which show that many of these are old projects. Some of them received appropriations away back in 1877, 1887, and from then on down.

Mr. JONES of Washington. That is true. This is the situation with reference to river and harbor improvements. Suppose we adopted a project which called for a depth of 10 feet in a harbor or a river. When that is completed, then we might call for a project to make that 15 feet. That would be a new project within the meaning of the bill and the way the money is expended. Then, when that was finished, and we had a depth of 15 feet, we might have another survey and adopt a project to make the channel 20 feet, and that would be a new project. Those would be three different projects.

Mr. KING. How many new projects are authorized by this bill?

Mr. JONES of Washington. I do not remember how many original projects are provided for.

Mr. KING. I am treating the new projects in the same manner the Senator treats them.

Mr. JONES of Washington. I have not counted them.

Mr. KING. Several hundred?

Mr. JONES of Washington. They are all new projects in that sense.

Mr. KING. How many are there, and what has the committee determined the ultimate cost will be?

Mr. JONES of Washington. I do not remember the number, but I can tell the Senator the cost in just a moment. The items called for in the bill as it passed the House aggregate \$39,151,000.

Mr. KING. Does the Senator mean that is the full cost?

Mr. JONES of Washington. Yes.

Mr. KING. I notice one item here is to cost \$16,000,000.

Mr. JONES of Washington. Yes; that was down in Louisiana, and I believe was cut to \$9,000,000. Then, the Los Angeles project was \$17,000,000, and that has been cut down to about \$10,000,000.

Mr. KING. It is cut down to \$6,500,000.

Mr. JONES of Washington. What the Government would have to pay was cut down to \$6,500,000.

Mr. KING. I understand the Senator to say that all of these projects, several hundred of them, will not cost in the aggregate, no matter how long it takes to construct them—

Mr. JONES of Washington. There are not several hundred of these projects. There are just about 50.

Mr. KING. The Senator—

Mr. JONES of Washington. I am afraid the Senator is taking in the survey items. There are a couple of hundred survey items.

Mr. KING. I am speaking of those, too.

Mr. JONES of Washington. Those are not projects. Those are surveys for projects.

Mr. KING. It is contemplated that they will be put upon some bill—

Mr. JONES of Washington. Oh, no.

Mr. KING. It is contemplated that a large number of them will finally obtain appropriations as projects?

Mr. JONES of Washington. There will probably be not more than one out of ten, possibly not that many. My recollection now is that about one out of twenty-five or twenty-six of the surveys becomes a project.

Mr. SIMMONS. What will be the total cost of all the surveys?

Mr. JONES of Washington. General Taylor estimated that the cost of the surveys, including a supposition that one survey would cost \$10,000, would be about \$30,000. That \$10,000 survey has been cut down so that he can make it in the office at practically no expense.

Mr. FLETCHER. All the surveys will cost about \$20,000.

Mr. KING. May I ask the Senator, who is so much for economy, whether the \$40,000,000 contemplated here, plus the \$40,000,000 which we have already appropriated, is in harmony with the Republican program of economy?

Mr. JONES of Washington. I understand that the President will accept this proposition, but I will say frankly to the Senator that I did not vote in the committee for the bill. All the rest of the committee, however, were in favor of it. So I am standing by the committee.

Mr. FLETCHER. May I reinforce the chairman by saying that it is in harmony with the Republican platform and with the Democratic platform?

Mr. KING. The Senator from Florida is a very able Democrat, and perhaps a better expounder of the Democratic platform than I am, but I confess I do not assent to his statement.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

The amendment was agreed to.

The next amendment was, at the top of page 2, to insert:

Saco River, Me., in accordance with the report submitted in House Document No. 477, Sixty-eighth Congress, second session, and subject to the conditions set forth in said document.

The amendment was agreed to.

The next amendment was, on page 2, after line 12, to insert:

Hudson River Channel at Weehawken and Edgewater, N. J., in accordance with the report submitted in House Document No. 313, Sixty-eighth Congress, first session, and subject to the conditions set forth in said document.

The amendment was agreed to.

The next amendment was, on page 2, after lines 17, to strike out:

Flushing Bay and Creek, N. Y., in accordance with the report submitted in House Document No. 124, Sixty-eighth Congress, first session, and subject to the conditions set forth in said document.

Mr. JONES of Washington. The committee authorized me to ask that that amendment be disagreed to.

Mr. COPELAND. Mr. President, do I understand the chairman to say that this language will be restored?

Mr. JONES of Washington. Yes.

Mr. COPELAND. I thank the Senator. I was about to ask that the Senate disagree to the amendment.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

The amendment was rejected.

The next amendment was, on page 3, line 5, after the figures "1923," to insert "as submitted in Senate Committee on Commerce print, Sixty-eighth Congress, first session, the provisions of which report shall apply from and after September 22, 1922," so as to make the paragraph read:

Wilmington Harbor, Del.: The Secretary of War is hereby authorized to modify the plans for the improvement of Wilmington Harbor in accordance with the report of the Chief of Engineers to the Secretary of War, dated December 20, 1923, as submitted in Senate Committee on Commerce print, Sixty-eighth Congress, first session, the provisions of which report shall apply from and after September 22, 1922.

The amendment was agreed to.

The next amendment was, on page 3, after line 16, to insert:

Crisfield Harbor, Crisfield, Md., in accordance with the report submitted in House Document No. 355, Sixty-eighth Congress, first session, and subject to the conditions set forth in said document.

The amendment was agreed to.

The next amendment was, on page 4, line 3, after the word "document," to insert the following proviso: "Provided, That before entering upon the prosecution of the said project the Secretary of War shall require local interests to contribute toward the cost of said work the sum of \$135,250, which amount shall be deposited in the Treasury and be applied toward the prosecution of the work of improvement herein adopted," so as to make the paragraph read:

Norfolk Harbor, Va.: Channels in southern and eastern branches of the Elizabeth River in accordance with the report submitted in House Document No. 226, Sixty-eighth Congress, first session, and subject to the conditions set forth in said document: "Provided, That before entering upon the prosecution of the said project the Secretary of War shall require local interests to contribute toward the cost of said work the sum of \$135,250, which amount shall be deposited in the Treasury and be applied toward the prosecution of the work of improvement herein adopted."

Mr. JONES of Washington. The committee authorized me to ask the Senate to disagree to that amendment.

The amendment was rejected.

The next amendment was, on page 4, line 16, after the word "session," to strike out the colon and the following proviso: "Provided, That before entering into negotiations for the acquisition of said canal local or other interests shall be required to contribute the sum of \$125,000, which amount shall be deposited with the Secretary of War and applied on the purchase price of the said canal," so as to make the paragraph read:

Inland waterway from Norfolk, Va., to Beaufort Inlet, N. C.: The Secretary of War is hereby authorized to purchase, as a part of said waterway, the existing Lake Drummond Canal, together with all property rights and franchises appertaining thereto, at a price of not to exceed \$500,000, in accordance with the report submitted in Rivers and Harbors Committee Document No. 5, Sixty-seventh Congress, second session.

The amendment was agreed to.

The next amendment was, on page 4, after line 21, to insert:

Beaufort Harbor, N. C., in accordance with the report submitted in Rivers and Harbors Committee Document No. 8, Sixty-eighth Congress, second session.

The amendment was agreed to.

The next amendment was, at the top of page 5, to insert:

Waterway between Charleston, S. C., and St. Johns River, Fla., in accordance with the report submitted in Senate Document No. 178, Sixty-eighth Congress, second session, and subject to the conditions set forth in said documents.

The amendment was agreed to.

The next amendment was, on page 5, after line 20, to insert:

Charlotte Harbor, Fla., in accordance with the report submitted in House Document No. 113, Sixty-sixth Congress, first session.

The amendment was agreed to.

The next amendment was, on page 6, line 3, after the word "report," to insert "except as to the conditions requiring local interests to contribute toward the first cost of said project," so as to make the paragraph read:

Bayou La Batre, Ala., in accordance with the report of the Board of Engineers for Rivers and Harbors submitted in Rivers and Harbors Committee Document No. 4, Sixty-eighth Congress, first session, and subject to the conditions set forth in said report, except as to the conditions requiring local interests to contribute toward the first cost of said project.

Mr. KING. May I inquire of the Senator why in a very few of these matters provision is made for local contribution, but not in all? What is the principle determined upon which calls for local contribution?

Mr. JONES of Washington. Mr. President, the committee has directed me to ask that the Senate disagree to all the amendments which the committee put in requiring contributions, so, as far as the Senate action is concerned, that is uniform. I wish to say that personally I favor requiring contributions, and I stated to the committee during the consideration of this bill that when we have a river and harbor bill before us again, so far as I am concerned, I shall do all I can to have a minimum fixed contribution provided for. I may be the only one who will favor it, but I think it ought to be done. On the Pacific coast almost uniformly we have to put up about 50 per cent in the carrying on of these projects, but that has not been a very general policy on the Atlantic coast. Personally I think we ought to have a pretty definite policy of that sort, but the committee would not favor it.

Mr. KING. May I say to the Senator before he takes his seat that upon an examination of a very large number of these projects, as well as an examination of thousands of pages of testimony with reference to other projects, I have discovered that there is a great deal of discrimination. It seems to have been the policy a number of years ago to make contributions, and contributions are made for many projects by local communities. In the bill there seems to be an almost complete absence of the policy which at one time or another obtained with respect to these projects.

Mr. JONES of Washington. Let me say to the Senator that just a few years ago—I think four or five years ago—we put a general legislative provision in a bill requiring the engineers to report on the matter of contributions. That has become a fixed policy as to their recommendations. I have found in several cases the local engineer recommends contributions, but the division or district engineer and the Chief of Engineers, considering the whole situation, have disagreed to those recommendations in many cases. Wherever the engineers and the Board of Engineers recommend contributions, I think in every case it has been provided for here, but the action has been taken based very largely, if not entirely, upon the recommendations of the Board of Engineers and the Chief of Engineers. I have expressed to the Senator my own personal view on the matter, but the committee action was not in accordance with my view.

Mr. KING. Has the subject been considered by the committee having the bills in charge as to what contributions shall be made and what policy shall be pursued? To illustrate what I mean, let us take the Mississippi River. As to a great artery such as that, I can understand there ought not to have to be contributions from the various States, but it is different as to little streams, such as we find in many of these projects, where there are 9,000 to 35,000 tons and many of which do not have more than 300,000 tons, and principally coal or some domestic product just for the local advantage of the people. It does seem to me that to call such a stream a river under the interstate commerce clause of the Constitution calling for contributions from the Federal Treasury is absurd; but going that far and saying that it should come within the cognizance of the Federal Government, where the benefit is purely local, I can not understand the theory adopted by the committee by which they have excluded the policy which obtained in the past, at least with respect to many of these projects, of calling for local contributions.

Mr. JONES of Washington. The committee has not excluded the policy followed in the past. I think the Senator will find that prior to four or five years ago the policy was just the opposite and that very few times were contributions required. Otherwise, I will say to the Senator, that of course my view is very much the same; but that was not the view of the committee as to wise action to take in connection with the bill.

Mr. KING. The Senator will concede that many of the projects contained in the bill are shown by the report to be

purely local and that the tonnage carried upon them never can exceed more than a few thousand or, perhaps, in the aggregate 100,000 or 200,000 tons per annum.

Mr. JONES of Washington. That is probably true, and yet in a good many of these cases where the tonnage is small it may be distributed over quite a wide territory, and even then that would hardly warrant a contribution or at least would make it very difficult to secure. As a general rule, I will say again, I am in hearty accord with the principle of requiring some contribution in the cases where the benefits are very largely local. We have to contribute on the Pacific coast in almost every case.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment of the Committee on Commerce was, on page 6, after line 17, to insert:

Sabine-Neches waterway, Texas: The modification of the project recommended in House Document No. 234, Sixty-eighth Congress, first session, is hereby authorized.

The amendment was agreed to.

The next amendment was, at the top of page 7, to insert:

Freeport Harbor, Tex., in accordance with the report submitted in Rivers and Harbors Committee Document No. 10, Sixty-eighth Congress, second session, and subject to the conditions set forth in said document.

The amendment was agreed to.

The next amendment was, on page 7, after line 4, to insert:

Galena River, Ill.: Funds for the removal of the dams in the Galena River which were rendered useless by the abandonment of the Galena River Lock, under authority of the river and harbor act of September 22, 1922, may be allotted from appropriations heretofore or hereafter made by Congress for the improvement, preservation, and maintenance of rivers and harbors.

The amendment was agreed to.

The next amendment was, on page 7, after line 20, to strike out:

The improvement of the Mississippi River from the mouth of the Ohio River to the northern boundary of the city of St. Louis, in accordance with the existing project, with a view to completion within a period of five years from and after the passage of this act in accordance with the general provision herein made as to completion of projects, and for the purpose of securing a navigable channel with a minimum depth of 8 feet and a minimum width of 300 feet, with sufficient additional width around the bends in said river to afford convenient passage for tows of barges now in use upon said river.

The improvement of the Mississippi River from the northern boundary of the city of St. Louis to Minneapolis, Minn., in accordance with the existing project, with a view to completion within a period of five years from and after the passage of this act in accordance with the general provision herein made as to completion of projects, and for the purpose of securing a permanent navigable channel with a minimum depth of 6 feet and a minimum width of 200 feet, with a reasonable additional width around the bends in said river.

The improvement of the Missouri River from its mouth to the upper end of Quindaro Bend, in accordance with the existing project, with a view to completion within a period of five years from and after the passage of this act in accordance with the general provision herein made as to completion of projects, and for the purpose of securing a permanent navigable channel with a minimum depth of 6 feet and a minimum width of 200 feet, with a reasonable additional width around the bend in said river.

The improvement of the Ohio River from Pittsburgh to Cairo, in accordance with the existing project, by the construction of locks and dams with a view to completion within a period of five years from and after the passage of this act in accordance with the general provision herein made as to completion of projects and for the purpose of securing a navigable channel with a minimum depth of 9 feet.

Mr. REED of Missouri. Mr. President, I ask just a moment to present a brief statement on the amendments just stated. The language which is stricken out, which was in the House text, and which Senators will find beginning at the bottom of page 7, line 21, is as follows:

The improvement of the Mississippi River from the mouth of the Ohio River to the northern boundary of the city of St. Louis, in accordance with the existing project, with a view to completion within a period of five years from and after the passage of this act in accordance with the general provision herein made as to completion of projects, and for the purpose of securing a navigable channel with a minimum depth of 8 feet and a minimum width of 300 feet, with sufficient additional width around the bends in said river to afford convenient passage for tows of barges now in use upon said river.

On page 8, beginning at line 7, it is proposed by the committee to strike out the following language:

The improvement of the Mississippi River from the northern boundary of the city of St. Louis to Minneapolis, Minn., in accordance with the existing project, with a view to completion within a period of five years from and after the passage of this act in accordance with the general provision herein made as to completion of projects, and for the purpose of securing a permanent navigable channel with a minimum depth of 6 feet and a minimum width of 200 feet, with a reasonable additional width around the bends in said river.

There is a similar provision with reference to the Missouri River which is found beginning at line 17, on page 8.

The point I want to call to the attention of the Senate is that the language of the bill as passed by the House requires these two projects to be completed within five years. They were adopted in 1910, if I recall correctly, and were to be completed within 10 years. If the money had been appropriated from time to time as contemplated in the original plan, these rivers would have been completed in exact accordance with the provisions of the present bill, except that the present bill provides for an additional width around bends of the river. That additional width is found to be necessary because of the fact that the barge lines are now being operated upon the Mississippi River and operated with great success, but the barge tows are so large that they can not successfully round a bend where the channel is only 200 feet in width. One of those barge tows will haul to-day and is hauling to-day a burden of freight that will equal the haul of three or four or five or six large freight trains.

The charge for traffic upon these streams is 80 per cent of the railroad rate. This reduction in rate is not limited to the tows along the river banks, but because of the fact that the railroads are establishing joint rates with the boat lines its benefits are extended to points several hundred miles away from the streams themselves. So the project is not in any sense local but affects directly the entire Mississippi Valley. The Mississippi Valley embraces the richest agricultural territory in the world. There is no farming district anywhere on the globe that is comparable with this great valley, the drainage of which from the foot of the Alleghenies to the foot of the Rockies empties into the Mississippi and Missouri Rivers.

The original projects, if carried out, would have been completed before this time, but they have not been completed largely because the war interfered with appropriations for the projected interior improvements of the country.

The main difference between the House text and the proposition of the committee lies in the fact that the committee project proposes to strike out the clause requiring these projects to be completed within five years from this date. As to that—and I shall be very brief, because I appreciate the fact that Senators desire to get away—I have this to say: First, when we undertake the improvement of a river or a harbor and invest our money in an improvement it is, generally speaking, of no use until the improvement is completed. To illustrate, something like 40 or 50 years ago we adopted a project for the improvement of the Ohio River. Subsequently that project was changed. Nearly 25 years ago we adopted the plan of building something like 42 or 43 dams for the purpose of producing navigation in that river. Some 35 of those dams have been built; almost 25 years have been consumed in their building; and yet not a single boat can in low-water seasons enter the Mississippi from the Ohio, because two or three or four of those dams remain uncompleted. When they shall have been completed, then all the traffic of the great Ohio River, which would equal the traffic of an entire European kingdom, will be turned into the Mississippi River; but we have been losing the interest for 30 or 40 years upon the initial investment in that stream and are unable to realize its benefits because the final work has not been completed; for, as everyone knows, a bridge across a river is utterly useless if one span, or even 10 feet, of it be left out. So the improvement of the channel of a river is equally of no utility if there be a single sand bar or a single shoal that must be crossed over. It is a wasteful and outrageously useless method of the expenditure of the public money.

Now, Mr. President, I ask that the text of the House bill be allowed to remain as it is on page 7, beginning in line 21, and running over to and including line 8, on page 9.

Mr. KING. Mr. President, will the Senator permit an inquiry? I desire to ask the question in good faith and for information.

Mr. REED of Missouri. I yield to the Senator.

Mr. KING. If the provision in the House bill, which has been stricken out by the committee, shall remain, will the

improvement which the Senator from Missouri has in mind be completed within a period of five years?

Mr. REED of Missouri. That is the command of the bill.

Mr. KING. Is there sufficient appropriation made, or will it call for future appropriations in order to execute that command?

Mr. REED of Missouri. It will call for future appropriations in any event. These projects, the Senator will understand, were adopted years ago; they are accepted projects, and the only question is whether we shall have in the bill a command that they shall be executed within five years or whether their completion shall be left to the indefinite future.

Mr. KING. Will recent surveys necessitate a change in the original plan?

Mr. REED of Missouri. Not at all.

Mr. KING. Those original plans, then, could be executed and give the depth of channel which the Senator desires?

Mr. REED of Missouri. So far as I know, yes. If I am wrong, the chairman of the committee will correct me.

Mr. JONES of Washington. My attention was diverted and I did not catch the reading of the substitute which the Senator from Missouri has proposed.

Mr. REED of Missouri. I have not offered a substitute. I ask, first, that the House language in the bill be retained.

Mr. FLETCHER. In other words, that the committee amendment be disagreed to.

Mr. JONES of Washington. The Senator spoke to me the other day and he showed me a couple of amendments, which I understood he was going to propose as a substitute.

Mr. REED of Missouri. I did.

Mr. JONES of Washington. Those amendments were satisfactory to me, but I did not understand the Senator was going to insist upon the retention of the House text.

Mr. REED of Missouri. I thought I was entitled to call attention to the House text, and to ask the Senate for its opinion, but I did not want to lose the right which I thought I had gained from talking with the chairman of the committee, if my proposition is turned down, to have accepted the amendment I had shown to him. I did not want at all to jeopardize that right.

Mr. JONES of Washington. The Senator from Missouri asks that the Senate disagree to the committee amendment proposing to strike out from line 21, on page 7, to line 8, on page 9. Those are really all separate amendments, although they are not so numbered.

Mr. REED of Missouri. Yes.

Mr. JONES of Washington. As to the improvement of the Mississippi from the mouth of the Ohio to St. Louis, I merely wish to say that I have a letter here from the Chief of Engineers, stating that that section is being now investigated under a resolution passed by the Committee on Rivers and Harbors of the House, pursuant to law, and asking for an examination with a view of having an additional foot in depth and an additional depth at the bends. The Chief of Engineers states:

The investigation called for by this resolution is now in progress and report thereon will be made as soon as practicable, but probably not during the present session of Congress.

So the matter is being investigated, and I think we ought, as we do in all such cases, wait until the report of the engineers comes in. So I ask that the amendment of the committee be agreed to and that the suggestion of the Senator from Missouri be voted down.

Mr. REED of Missouri. There is a little difference. One proposition that is involved is the question of completing this project within five years.

Mr. JONES of Washington. Yes.

Mr. REED of Missouri. While the other is a foot of additional depth.

In view of the statement which has been made by the chairman of the committee, however, I shall not insist upon a disagreement to the committee amendment, provided the Senator later on accedes to the amendment which I shall offer and which I showed to him.

Mr. JONES of Washington. To the amendment which the Senator showed me the other day I have no objection.

Mr. FLETCHER. The first question will be on the adoption of the committee amendment.

Mr. JONES of Washington. The first question is on the adoption of the committee amendment from line 21, on page 7, to line 6, on page 8.

Mr. SHIPSTEAD. Mr. President, it appears to me that there can be no conflict between the proposition that we find in the House bill to complete this project in five years and a survey that has been undertaken by the Army engineers at the present time.

Mr. JONES of Washington. Mr. President, if the Senator will permit me, I will state frankly with regard to the five-year proposition that there is another provision in the bill, as it came from the House of Representatives, in section 2, which makes the five-year proposition apply to all the projects that have heretofore been adopted.

The President sent a letter to the chairman of the committee with a memorandum submitted by the Director of the Budget Bureau, General Lord, in which he calls attention to the fact that if this provision of the bill in relation to the five-year proposal shall be adopted there would at least be a moral if not a legal obligation to make appropriations that in five years would complete the projects in the bill and those heretofore adopted.

That would require an appropriation of over \$60,000,000 a year; and the President stated that that was contrary to his program of economy. I will say frankly that it was simply a statement of fact; the President merely advised to that effect; that was all; but if we do not follow that suggestion, then we will perhaps have no bill.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. JONES of Washington. I think the Senator from Minnesota has the floor.

Mr. SHIPSTEAD. I will yield to the Senator from Wisconsin, if he wishes to ask a question.

Mr. LENROOT. I should like to ask the Senator from Washington if the five-year proposition be adopted, may it not really mean there will not be any appropriations for any of the other projects in this bill until after the end of the five years, because of the moral obligation to give the others preference under a five-year program?

Mr. JONES of Washington. That probably would follow.

Mr. LENROOT. Certainly.

Mr. JONES of Washington. Of course, as to the particular projects which are under way they would be carried forward.

Mr. LENROOT. I say outside of those.

Mr. JONES of Washington. Generally speaking, I should say the Senator from Wisconsin is correct.

Mr. REED of Missouri. Mr. President—

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Missouri?

Mr. SHIPSTEAD. I yield to the Senator from Missouri.

Mr. REED of Missouri. By my silence I do not want to accede to the statement of the Senator from Wisconsin. I do not think that the adoption of the command as to completing these projects or a statement concerning these projects with a view to completing them within five years will interfere with any appropriation being made by Congress. I understood the Senator to mean that. I think I must have misunderstood him.

Mr. LENROOT. If I may explain what I had in mind, Congress in the next five years is going to do just as it has been doing, namely, determine upon a maximum sum which it thinks can be afforded for expenditure on rivers and harbors. If it is \$60,000,000—and that is more probably than will be determined upon—that whole \$60,000,000 would have to be expended upon the existing projects, and not one of the new projects in this bill would receive a dollar until after the end of the five-year period. That is what I mean.

Mr. REED of Missouri. I understand the Senator's point. Of course, that might follow if Congress did not in any way safeguard it, but still the Congress would have command of the situation. However, I do not desire to prolong the discussion, because I am anxious to expedite the consideration of the bill. Let me say, however, to my colleague from Minnesota that I have been over this matter pretty thoroughly with the chairman of the committee and I am satisfied that the best we are going to get—and when I say "we" I mean those who are particularly interested in the Mississippi River—is the proposition which I am going to submit as a substitute as soon as we reach page 8, and which is to the effect that the channel shall be widened at the bends of the river, which will enable a boat line carrying commerce to get up the stream.

Mr. SHIPSTEAD. Mr. President, I can not yield further until I say at least a few words and call attention to the suggestion of economy which has been raised. I want you to remember, Mr. President, that this project was initiated in 1907, 18 years ago. The policy of Congress has been from year to year to spend a little something every year upon it. The project is at this time not finished. As a matter of fact, because the project is not finished, a great deal of dredging that is done this year will have to be done over again next year, and from year to year, because the channel on account of not being finished is not self-cleansing. If a Government dredge dredges a part of the channel this summer, when the spring floods come, carrying down all kinds of debris and silt, that material fills in the channel again.

I also want to call attention, on page 55 of the report, to the reference to this project in these words:

The modification of the project made in the bill will not increase the cost of its completion. It is believed the work can be done at a cost considerably under this estimate if funds are furnished so that the project can be completed within five years.

Why, of course they will save money if they can complete it within five years, because when the project is completed the channel will be self-cleansing, and we will not have to continue to appropriate money from one Congress to the other in order to clean the channel that we cleaned a year or two ago. Another thing is that if it is completed within five years we will have a channel upon which we can have the navigation of boats. This project has been dragged out now for 18 years. If this policy is continued it will very likely drag on for another 18 years, and the Government dredges will be taking out the same stuff from year to year and having it washed back again in the spring.

The quotation from the report that I read had to do with the Mississippi River from the mouth of the Ohio River to St. Louis. In the next paragraph we have the report on the Mississippi River from St. Louis to Minneapolis; and here we also find the same recommendation, that it be completed within the next five years because it will save considerable expense.

On page 56 we have the project of the Missouri River from Kansas City to its mouth, and here we also find these words:

It is believed that if funds are furnished sufficient to complete the project within five years a considerable saving can be made from this estimate.

That seems to me to be real economy. The proposition that the committee makes has about the same logic that a man would show if he put one shingle on his roof every other day and kept the process going for about 10 years. By the time he had the last shingle on the first shingle would be rotten, and he would have to start in all over again before he would have a roof on his house. If it is the intention of the Congress to initiate projects according to the surveys that are now to be made all over the United States, and the same policy that we have followed in the last 25 years is to be continued in the future, we are going to have Government dredges all over the United States, and it will be about 300 years before we will have any rivers upon which we can have navigation.

It would seem good logic and good policy to finish some of these projects, so that we can use these rivers, instead of dragging it out and dragging it out without finishing it so that we can use a river.

Here is a report. I do not know who wrote it. I take it that it is based upon the estimate of engineers that if these projects can be finished in five years a great deal of money will be saved to the Government. That is economy; but the main thing is that if we finish these projects in five years we will have navigable rivers upon which the freight of the country can be transported at a great deal less than it costs to transport that freight now. So it seems to me to do otherwise is not economy. It may be a kind of a pantomime of economy that we can talk about, but there is no real economy in this action. It is nothing but waste.

Under this policy the Mississippi River will be dredged for the next 50 years without getting any nearer to any transportation than we have now. So I think I shall ask the Senate to reinsert the language of the House, in the interest of economy, and in order that before we are all dead we may be able to use the Mississippi River to transport the wheat of the Northwest down to the Gulf of Mexico, and to transport the coal from the South up to the North, where we have long winters, and where we use a lot of coal. The heavy freight of the country can be transported on the Mississippi River when we finish this project. The people will benefit. According to this report, we can do it for less money than we can if we drag out the project. It will mean that the Atlantic Ocean will be taken up right through what is now called the Mississippi Valley, and the entire interior of the country will have the benefit of water transportation.

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

Mr. SHIPSTEAD. Certainly.

Mr. FLETCHER. Suppose in the next appropriation bill for rivers and harbors the demand should be, and that should be the policy and the rule laid down that we must all stand by, that the total amount shall not exceed \$40,000,000. That lump sum will have to be used by the engineers in carrying on the work already under way, the various projects heretofore adopted; and if we require that the projects specified here shall

be completed within the period of five years that means, of course, a very large apportionment of the lump-sum appropriation to these projects, and we will be favoring these particular projects, and using probably one-fourth of the entire appropriation for the completion of these projects, and all the other projects throughout the country will be deprived of enough money actually to carry on the operations already under way.

That is the danger of this limiting period of five years. The policy is to make a lump-sum appropriation and leave it for the engineers to determine, under the direction of the Secretary of War and the Chief of Engineers, where that money can be most economically used and with the greatest usefulness; and they set out the various projects where it is to be used. It would not be safe to limit them to a certain time for the completion of certain projects, because they would have to allot to those projects more of this lump-sum appropriation than they would be entitled to if we are to carry on and do justice to the other great projects throughout the country. It is best to leave the matter open for the engineers to allocate this lump-sum appropriation, whatever it may be, because if it is large enough to cover a period of five years they will use it in that way on these projects and complete them as far as possible; but we do not know the size of the lump-sum appropriation. Next year it may be less than \$40,000,000. It may be only \$30,000,000. We can not tell about that, but certainly we can not expect that it will be enough to complete these projects within a period of five years and at the same time take care of the other projects heretofore adopted throughout the country.

Mr. SHIPSTEAD. I see the Senator's point.

Mr. REED of Missouri. Mr. President, will the Senator pardon me a minute?

Mr. SHIPSTEAD. Yes.

Mr. REED of Missouri. I realize the situation we are in, in the last hours of a session, with no time properly to debate or consider this great question. If we had time to debate it, I would contend here very strenuously for the retention of the House text; but I know that if we get this bill through at all we shall have to take what the committee will give us.

I do not mean that the committee have been ungenerous in their estimate, nor in any manner to criticize them. I only say that I do not agree with this construction which they place upon the policies of our internal improvement, and I should like to have an opportunity to submit that matter to the deliberation of the Senate and the House of Representatives. But the committee have differed, and if we get this bill through we must get it through very quickly; so I am waiving what I consider a substantial right in order to further this legislation.

I want to say, however, while I have the floor by the courtesy of my friend from Minnesota, that I have no patience whatever with this miserable talk about economy which begins at the finger towels in the White House and extends itself even to the abolition of drinking cups, and that tells us that the way to economize in a country is to fail to prepare ourselves to take advantage of its natural resources. There is no policy so wasteful as that which refuses to use those advantages which God and nature gave to a people because it involves a little initial expense.

On the Mississippi River, with a Government boat line that has now cost us \$10,000,000, we have carried freight for the past four years at 80 per cent of the cost of railroad transportation. We did it at a profit upon the Mississippi last year of a half million dollars, and we put aside in a sinking fund an enormous and an unjustifiable amount to recoup the Government for its primary expense. That freight reduction was made in the teeth of circumstances that ought to have almost placed an embargo upon commerce. There were bars in the river which a few thousand dollars would have removed, and upon those bars at low water the great tows of barges that were being pushed by modern power boats were stuck at a tremendous loss. There were curves in the river so sharp that these great tows that extend for six or seven hundred feet in front of the power boats could not make the curves. There was a lack of wharves, that disappeared in the face of railroad competition 50 years ago and are now reappearing. There was the lack of modern facilities for loading and unloading boats. There was the lack of cooperation between the railroads and the boat lines. There was the refusal upon the part of the railroads, in many instances, to make joint rates. There were all of a thousand other disadvantages that accompany the installation of a new business, or the reinauguration of an old and destroyed business. And yet, in the face of it, we hauled freight for 80 per cent of the price charged by the railroads, although the railroads paralleling the river have charged a lower rate than any other place in the United States.

of America, and have done it for many years because of potential, if not actual, river transportation.

To say that this mighty force that nature and nature's God gave to us shall not be utilized, and to say that in the name of economy, is the veriest dribble and slobber that ever fell from the lips of man. I have no patience with it. I know what we must expect now, but I give notice that if I am living at the next session of Congress we will settle the question of whether it is economy to starve a horse to death who can earn a thousand times his feed, to deny the use of the great natural resources of our country in the miserable name and false name of a hypocritical economy.

I intend to analyze this question of economy when the time comes, but just now I say to my friend, whose pardon I beg and whose indulgence I have overreached, that I think we must accept what we may get.

Mr. SHIPSTEAD. Mr. President, I want to say to the Senator from Florida that I did not rise for the purpose of doing any other section of the United States an injustice, but it seems that if any of these projects are worth anything at all—and we have spent a lot of money on them—they are worth finishing. We have been 18 years on this project, and we have not finished it yet. This is a proposition to make transportation possible over 600 miles of river.

What would one think of a railroad company building a line 600 miles long that would take 18 years to complete the road, and then not have it more than 53 per cent finished? If we go on at the same rate at which we have been proceeding for the last 18 years, it will take us another 18 years before we can use the Mississippi River for transportation. I fail to see the economy of it.

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). May the occupant of the chair address a question to the chairman of the committee? Is it the intention of the Senator from Washington to consider all of the language stricken out at the bottom of page 7 and extending over to line 8, on page 9, as one amendment, or as two or more amendments?

Mr. JONES of Washington. There are four paragraphs, and they should be treated as separate amendments. I ask that they be treated as separate amendments.

The PRESIDING OFFICER. May the Chair ask the Senator from Missouri if his proposed amendment is by way of correction of the House language, or is it a complete substitute for that language?

Mr. JONES of Washington. I ask unanimous consent that the first paragraph may be treated as a separate amendment, and that the committee amendment may be agreed to. Then the Senator from Missouri will offer a substitute for the second and third paragraphs.

The PRESIDING OFFICER. Then the question is on the committee amendment, to strike out, commencing on line 21, page 7, and extending to line 6, on page 8. The paragraph will be read at the desk.

The reading clerk read as follows:

The improvement of the Mississippi River from the mouth of the Ohio River to the northern boundary of the city of St. Louis, in accordance with the existing project, with a view to completion within a period of five years from and after the passage of this act in accordance with the general provision herein made as to completion of projects, and for the purpose of securing a navigable channel with a minimum depth of 8 feet and a minimum width of 300 feet, with sufficient additional width around the bends in said river to afford convenient passage for tows of barges now in use upon said river.

The amendment was agreed to.

The next amendment of the committee was, on page 8, to strike out lines 7 to 16, inclusive, as follows:

The improvement of the Mississippi River from the northern boundary of the city of St. Louis to Minneapolis, Minn., in accordance with the existing project, with a view to completion within a period of five years from and after the passage of this act in accordance with the general provision herein made as to completion of projects, and for the purpose of securing a permanent navigable channel with a minimum depth of 6 feet and a minimum width of 200 feet, with a reasonable additional width around the bends in said river.

Mr. REED of Missouri. Mr. President, in place of the proposal of the committee I move to strike out on page 8, from line 7 to line 16, of the House text, and to insert the following amendment. I have submitted it to the chairman of the committee.

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On page 8, strike out lines 7 to 16, inclusive, and in lieu thereof insert:

The improvement of the Mississippi River from the northern boundary of the city of St. Louis to Minneapolis, Minn., in accordance with the existing project with a view to securing a permanent navigable channel with a minimum depth of 6 feet and a minimum width of 200 feet, with a reasonable additional width around the bends in said river.

Mr. JONES of Washington. That makes substantially no change in the project, and I have no objection to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Missouri.

Mr. SHIPSTEAD. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Minnesota?

Mr. REED of Missouri. I yield to my friend from Minnesota. He yielded to me for half an hour a little while ago.

Mr. SHIPSTEAD. I ask the Senator in what respect this amendment would change the existing project.

Mr. REED of Missouri. It changes it only in providing for additional width around the bends. That is all we get out of it. It would make it so that large barges carrying freight could turn the corners.

The amendment was agreed to.

The next amendment of the committee was, on page 8, beginning with line 17, to strike out:

The improvement of the Missouri River from its mouth to the upper end of Quindaro Bend, in accordance with the existing project, with a view to completion within a period of five years from and after the passage of this act in accordance with the general provision herein made as to completion of projects, and for the purpose of securing a permanent navigable channel with a minimum depth of six feet and a minimum width of 200 feet, with a reasonable additional width around the bend in said river.

Mr. REED of Missouri. I offer the following amendment.

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On page 8, to strike out lines 17 to 25 of the House text, and insert in lieu thereof:

The improvement of the Missouri River from its mouth to the upper end of Quindaro Bend in accordance with the existing project with a view to securing a permanent navigable channel with a minimum depth of 6 feet and a minimum width of 200 feet, with a reasonable additional width around the bends in said river.

Mr. SHIPSTEAD. May I have the amendment stated again?

The reading clerk again read the amendment.

Mr. SHIPSTEAD. I have no objection to the amendment.

The amendment was agreed to.

The next amendment of the committee was, on page 9, to strike out lines 1 to 8, both inclusive, as follows:

The improvement of the Ohio River from Pittsburgh to Cairo, in accordance with the existing project, by the construction of locks and dams with a view to completion within a period of five years from and after the passage of this act in accordance with the general provision herein made as to completion of projects and for the purpose of securing a navigable channel with a minimum depth of 9 feet.

The amendment was agreed to.

EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session, the doors were reopened.

RECESS

Mr. CURTIS. I move that the Senate take a recess, the recess being, under the previous order, until 11 o'clock to-morrow.

The motion was agreed to, and the Senate (at 11 o'clock p. m.) under the order previously entered, took a recess until to-morrow, Friday, February 27, 1925, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate February 26, 1925

APPOINTMENTS IN THE REGULAR ARMY

FINANCE DEPARTMENT

Brig. Gen. Kenzie Wallace Walker to be Chief of Finance, with the rank of major general, for the period ending June 30, 1926, with rank from February 24, 1925.

CHEMICAL WARFARE SERVICE

Brig. Gen. Amos Alfred Fries to be Chief of Chemical Warfare Service, with the rank of major general, for the period ending March 27, 1925, with rank from February 24, 1925.

[NOTE: The period for which each of the above-named officers is nominated is the remainder of the period of four years which he is now serving as chief of his branch, with the rank of brigadier general.]

Brig. Gen. Amos Alfred Fries to be Chief of Chemical Warfare Service, with the rank of major general, as authorized by an act approved February 24, 1925, for the period of four years beginning March 28, 1925, with rank from February 24, 1925. His present term of office expires March 27, 1925.

[NOTE.—Brig. Gen. Amos Alfred Fries was nominated to be Chief of Chemical Warfare Service, with the rank of brigadier general, January 29, 1925, and was confirmed January 31, 1925. This message is submitted for the purpose of giving him the rank authorized by the act of February 24, 1925.]

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

FIELD ARTILLERY

Second Lieut. Felix Marcinski, Air Service, with rank from June 12, 1924.

INFANTRY

Second Lieut. James Frederick Howell, jr., Air Service, with rank from June 12, 1924.

Second Lieut. Paul Albert Pickhardt, Air Service, with rank from June 12, 1924.

Second Lieut. Ralph Arthur Koch, Air Service, with rank from June 12, 1924.

Second Lieut. William John Renn, jr., Air Service, with rank from June 12, 1924.

PROMOTIONS IN THE REGULAR ARMY

To be lieutenant colonel

Maj. John Preston Terrell, Coast Artillery Corps, from February 21, 1925.

To be majors

Capt. Charles Samuel Ritchel, Infantry, from February 21, 1925.

Capt. Thomas Guerdon Hearn, Infantry, from February 21, 1925.

To be captains

First Lieut. John Clayton O'Dell, Quartermaster Corps, from February 21, 1925.

First Lieut. Fred Chase Christy, Infantry, from February 21, 1925.

To be first lieutenants

Second Lieut. Henry Franklin Hannis, Corps of Engineers, from February 19, 1925.

Second Lieut. Arthur Lee McCullough, Corps of Engineers, from February 21, 1925.

Second Lieut. Edward Albert Routheau, Field Artillery, from February 21, 1925.

PROMOTIONS AND APPOINTMENTS IN THE NAVY

Capt. Noble E. Irwin to be a rear admiral in the Navy, from the 23d day of February, 1925.

Commander Lewis B. Porterfield to be a captain in the Navy, from the 16th day of February, 1925.

Lieut. (junior grade) Martin Nyburg to be a lieutenant in the Navy, from the 1st day of February, 1925.

Ensign Addis D. Nelson to be a lieutenant (junior grade) in the Navy, from the 3d day of June, 1924.

Asst. Paymaster Charles E. Leavitt to be a passed assistant paymaster in the Navy, with the rank of lieutenant, from the 31st day of December, 1924.

Asst. Paymaster Edwin H. Bradley to be a passed assistant paymaster in the Navy, with the rank of lieutenant, from the 1st day of January, 1925.

Chaplain George B. Kranz to be a chaplain in the Navy, with the rank of commander, from the 2d day of July, 1924.

Chaplain Milton H. Petzold to be a chaplain in the Navy, with the rank of commander, from the 9th day of August, 1924.

Chaplain Garrett F. Murphy to be a chaplain in the Navy, with the rank of commander, from the 3d day of November, 1924.

Chaplain John W. Moore to be a chaplain in the Navy, with the rank of commander, from the 3d day of November, 1924.

The following-named citizens to be assistant dental surgeons in the Navy, with the rank of lieutenant (junior grade), from the 16th day of February, 1925:

Otis A. Peterson, a citizen of Minnesota.

Sidney P. Vail, a citizen of Nebraska.

Leon M. Billings, a citizen of Minnesota.

Theodore D. Allan, a citizen of Massachusetts.

John M. Thompson, a citizen of Oklahoma.

Boatswain Elmer J. Cross to be a chief boatswain in the Navy, to rank with but after ensign, from the 20th day of July, 1924.

Boatswain John Weber, jr., to be a chief boatswain in the Navy, to rank with but after ensign, from the 20th day of July, 1924.

Gunner James H. Kane to be a chief gunner in the Navy, to rank with but after ensign, from the 20th day of November, 1924.

Pay Clerk Clarence C. Walling to be a chief pay clerk in the Navy, to rank with but after ensign, from the 20th day of November, 1924.

Carpenter George E. Mumma to be a chief carpenter in the Navy, to rank with but after ensign, from the 20th day of April, 1924.

POSTMASTERS

ARKANSAS

John L. Hyde to be postmaster at Tillar, Ark., in place of J. W. Cheairs, removed.

GEORGIA

John H. Hendrix to be postmaster at Hawkinsville, Ga., in place of J. P. McGriff. Incumbent's commission expired June 4, 1924.

James R. Taylor to be postmaster at Tallulah Falls, Ga., in place of Calvo Lee. Office became third class October 1, 1923.

Marion Lucas to be postmaster at Savannah, Ga., in place of Marion Lucas, resigned.

Semora E. Brandon to be postmaster at St. Marys, Ga., in place of H. F. Rudolph. Incumbent's commission expired August 29, 1923.

William A. Garrett to be postmaster at Roopville, Ga., in place of G. E. Pentecost. Office became third class January 1, 1924.

James C. Lee to be postmaster at Franklin, Ga., in place of J. W. Lane. Incumbent's commission expired February 4, 1924.

Louise C. Riddle to be postmaster at Davisboro, Ga., in place of L. C. Riddle. Incumbent's commission expired November 19, 1923.

Carlton P. Sanders to be postmaster at Carnesville, Ga., in place of A. A. Addison. Incumbent's commission expired July 28, 1923.

ILLINOIS

William C. Nulle to be postmaster at Union, Ill., in place of W. F. Koch, removed.

Robert F. Sexton to be postmaster at Kansas, Ill., in place of R. W. Briscoe. Incumbent's commission expired June 5, 1924.

IOWA

Millie Hoffman to be postmaster at Central City, Iowa, in place of E. W. Penly. Incumbent's commission expired June 5, 1924.

KANSAS

Neva F. Batterton to be postmaster at Preston, Kans., in place of R. L. Coburn, resigned.

KENTUCKY

Rebecca Green to be postmaster at Barbourville, Ky., in place of W. F. Amis. Incumbent's commission expired February 4, 1924.

Mary H. Buckler to be postmaster at Loretto, Ky., in place of M. H. Buckler. Office became third class January 1, 1925.

Leonard E. Daniel to be postmaster at Jeff, Ky., in place of L. E. Daniel. Office became third class July 1, 1924.

MICHIGAN

Charles C. Kellogg to be postmaster at Detroit, Mich., in place of J. W. Smith, resigned.

Effie M. Fanning to be postmaster at Boyne Falls, Mich., in place of G. L. Olsson, resigned.

MINNESOTA

Henry E. Milbrath to be postmaster at Princeton, Minn., in place of M. M. Briggs, deceased.

Oscar F. Lindstrom to be postmaster at Lindstrom, Minn., in place of J. M. Benson. Incumbent's commission expired June 5, 1924.

Wilfred D. Oleson to be postmaster at Isanti, Minn., in place of N. J. Enquist. Incumbent's commission expired June 5, 1924.

Mathilda V. Morell to be postmaster at Grandy, Minn., in place of E. V. Engstrom, resigned.

Elizabeth Richardson to be postmaster at Delano, Minn., in place of H. J. Bock. Incumbent's commission expired June 5, 1924.

Arthur McBride to be postmaster at Walker, Minn., in place of G. A. Phelps. Incumbent's commission expired June 5, 1924.

Charles C. Gilley to be postmaster at Cold Spring, Minn., in place of Ignatius Kremer. Incumbent's commission expired June 5, 1924.

Rollo F. Dean to be postmaster at Blue Earth, Minn., in place of W. J. Murphy. Incumbent's commission expired June 5, 1924.

MISSISSIPPI

Kate R. Latimer to be postmaster at Shaw, Miss., in place of M. E. Ratliff, deceased.

Ada Duckworth to be postmaster at Mendenhall, Miss., in place of R. H. Coke. Incumbent's commission expired July 28, 1923.

Fred Little to be postmaster at Greenwood, Miss., in place of L. H. Humphreys, resigned.

MISSOURI

Bert G. Ozenbaugh to be postmaster at Watson, Mo., in place of W. H. Good. Office became third class October 1, 1924.

NEW JERSEY

Frank W. Cassedy to be postmaster at Cape May, N. J., in place of Sol Needles. Incumbent's commission expired June 5, 1924.

Richard A. Jessen to be postmaster at Keansburg, N. J., in place of A. C. Broander, deceased.

NORTH CAROLINA

Luther L. Bryant to be postmaster at Roxobel, N. C., in place of J. T. Jilcott. Office became third class October 1, 1924.

Sidney A. Padgett to be postmaster at Ellenboro, N. C., in place of J. P. Stockton. Office became third class October 1, 1924.

NORTH DAKOTA

Hugh Roan to be postmaster at Portal, N. Dak., in place of Hugh Roan. Incumbent's commission expired April 23, 1924.

OKLAHOMA

Frederick W. Galer to be postmaster at Nowata, Okla., in place of J. H. Shufeldt, deceased.

OREGON

William A. Massingill to be postmaster at Lakeview, Oreg., in place of F. P. Cronemiller, deceased.

PENNSYLVANIA

Harry J. Burns to be postmaster at Soudersburg, Pa., in place of M. L. Zimmerman, resigned.

C. Maurice Hershey to be postmaster at Paradise, Pa., in place of Howard Kemrer. Incumbent's commission expired June 5, 1924.

PORTO RICO

Pablo Vilella, jr., to be postmaster at Lares, P. R., in place of Reinaldo Paniagua, jr., resigned.

SOUTH CAROLINA

William B. Wright, jr., to be postmaster at Shelton, S. C., in place of W. B. Wright, jr. Office became third class October 1, 1924.

TEXAS

Leslie W. Garrett to be postmaster at Quitman, Tex., in place of H. G. Robinson, deceased.

VERMONT

Donald D. Hoover to be postmaster at St. Thomas, Vt., in place of L. C. Brothers, resigned.

WEST VIRGINIA

Oscar E. Carlson to be postmaster at Dehue, W. Va., in place of O. E. Carlson. Office became third class April 1, 1924.

Alvin L. Elkins to be postmaster at Blair, W. Va., in place of V. S. Browning. Office became third class July 1, 1924.

WISCONSIN

Ellsworth N. Harris to be postmaster at Mineral Point, Wis., in place of George Crawford. Incumbent's commission expired June 4, 1924.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 26, 1925

POSTMASTERS

CALIFORNIA

Wallace P. Rouse, Thermal.

TENNESSEE

Minna M. Carson, Old Hickory.

WISCONSIN

Lynn L. Merrill, Princeton.

REJECTION

Executive nomination rejected by the Senate February 26, 1925

POSTMASTER

Thomas W. Allgood to be postmaster at Loganville, Ga.

HOUSE OF REPRESENTATIVES

THURSDAY, February 26, 1925

The House met at 12 o'clock noon, and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We thank Thee, O God, that Thou dost reveal Thyself unto us as a blessed heavenly Father, full of compassion and plenteous in mercy. We would humble ourselves in Thy presence, for we are conscious of our needs and unworthiness. Let Thy will and work appear unto us, and may this day be just what it should be. Thou dost minister unto us that we may minister unto others; so enable us to do good and no harm. Whether the lessons of our own lives be easy or difficult, help us to accept them cheerfully, for growth in the Christian virtues lies this way. Amen.

The Journal of the proceedings of yesterday was read and approved.

CHANGING VALUE OF THE DOLLAR

Mr. STENGLE. Mr. Speaker, I ask unanimous consent to extend my remarks by publishing a specially written article by Prof. Irving Fisher, of Yale University, on the changing value of the dollar.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks by printing an article by Prof. Irving Fisher. Is there objection?

There was no objection.

The article is as follows:

To the person who can not understand that money changes, and that a thousand dollars to-day is apt to be very different from a thousand dollars last year or next year, the postman's argument that he is poorer now than he was in 1913, seems unreasonable. "He got \$1,200 in 1913," they say, "and has since been raised 50 per cent, getting \$1,800 to-day. Surely he ought to be satisfied." But money has changed in purchasing power so that \$1,800 to-day is worth only 1,044 "pre-war dollars."

THE USE OF MONEY

If this is true then the postman really hasn't \$600 a year more than he had in 1913 except on paper. On the contrary, in actual purchasing power he has \$166 less. The dollar of to-day and the dollar of 1913 are very different in purchasing power although the same in weight of gold. The \$600 raise in terms of gold, or of money representing gold, is not a real raise. He can not eat gold, nor clothe and shelter himself with it. He must convert his gold—or his money—into food, clothing, and shelter. The question then becomes: Will his \$1,800 to-day buy him more of these things now than his \$1,200 bought him in 1913?

THE COST OF LIVING

Every one knows that the cost of living has increased, and that he pays more for food, rent, and clothing than before the war. A man could probably tell exactly how much more he personally pays now for rent, for instance. But he has little idea how much for all the people in the country together the cost of living has increased, in short, what the average increase has been.

THE ECONOMIST'S ANSWER

The United States Bureau of Labor Statistics is one of the organizations that has figured this out. They have found out how much on the average, rents and foods and clothing, etc., increased in price